

In the Matter of: )  
 )  
Petroleum Industry Information ) Docket No.  
Reporting Forms ) 02-PII-1  
 )

SACRAMENTO, CALIFORNIA

9:35 A.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

STAFF PRESENT

Sue Kateley

Michael Nyberg

Pat Perez

Gordon Schremp

Tom Glaviano

ALSO PRESENT

David A. Smith

BP

Jay McKeeman

California Independent Oil Marketers Association  
CIOMA

Lois M. Ambrose

ST Services

Shore Terminals LLC

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

## I N D E X

	Page
Proceedings	1
Opening Remarks	1
Introductions	2
Opening Public Comments	2
Forms	2
Comments - Specific PIIRA Reporting Forms	10
W08, M08	10
W700, M700	27
W900, M900	56
782B	81
M810	88
Tank reports	95
Schedule	110
Closing Remarks	123
Adjournment	124
Certificate of Reporter	125

## P R O C E E D I N G S

9:35 a.m.

MS. KATELEY: Welcome to the staff workshop on the Petroleum Industry Information Reporting Act reporting forms.

MR. SMITH: Thank you.

MS. KATELEY: Please don't put laughter on the record.

I'd like to make a couple of comments about today's workshop. First I'd like to thank you for attending. And I've lost my notes --

MR. SMITH: Well, let's just cut to the chase.

MS. KATELEY: Here they are. Well, first I wanted to say thank you particularly to the companies who are providing data currently based on the new reporting requirements, particularly the dealer tank wagon information. We greatly appreciate the gathering of that information.

The purpose of today's meeting is to take comments on the proposed reporting forms. And I thought it would be useful to have people who have general comments to make their general comments first, and then go on to any specific

1        comments. Extra copies are available. And we  
2        would like to let you know that we will continue  
3        to accept comments after this meeting until May  
4        12, 2004, which is ten days from today.

5                With that I'd like to have  
6        introductions, please, starting with myself. Sue  
7        Kateley; I manage the PIIRA database, along with a  
8        great group of staff.

9                MR. NYBERG: Michael Nyberg from the  
10       fuels office, directly handling the forms.

11               MR. PEREZ: Pat Perez, manager of the  
12       transportation fuels office.

13               MR. SCHREMP: Gordon Schremp, senior  
14       fuel specialist in the fuels office.

15               MS. KATELEY: Dave.

16               MR. SMITH: Dave Smith, bp.

17               MS. KATELEY: Thank you. With that,  
18       Dave, do you have any comments?

19               MR. SMITH: Well, I offered we could  
20       walk through the WSPA comments. We could talk  
21       about them.

22               MS. KATELEY: Sure, we could do that.

23               MR. SMITH: I mean some of these are  
24       not, you know, Gina put these comments together  
25       for us. They include comments that I gave.

1 I do have a couple other comments as we  
2 go through. Some of these are, you know, some of  
3 them I would say are not particularly my comments,  
4 but we could talk about them.

5 MS. KATELEY: Okay.

6 MR. SMITH: If you want to. Now, Gina  
7 said she was going to set up a meeting with you  
8 separately, right? Or is that not going to  
9 happen?

10 MS. KATELEY: We have not set that  
11 meeting up yet. Don't know when it will be, right  
12 now.

13 MR. SMITH: Okay.

14 MS. KATELEY: She mentioned that in her  
15 letter to the Commission; and I sent her a note  
16 about it. Haven't heard back yet.

17 MR. SMITH: Okay. Some of the, you  
18 know, I'm going to have to admit that some of  
19 these comments I may be hard pressed, you know, to  
20 talk in detail on. Like the very first one. I  
21 didn't go to the table.

22 MS. KATELEY: Well, you can -- why don't  
23 you talk about the ones that you're familiar with.  
24 And after this meeting we'll be going through all  
25 the comments that we get and try and respond to

1 all of them.

2 But if you bring up the ones that are  
3 particularly of interest to you, and new ones that  
4 you've thought of since then, that would be great.

5 MR. SMITH: Okay. Why don't we do that.

6 MS. KATELEY: All right.

7 MR. SMITH: Let me just read through  
8 these. Some of these things are pretty self  
9 explanatory. For example, there are several  
10 reports for which instructions are available, but  
11 report forms are not, or there are not  
12 instructions for parts of the reports or things  
13 like that.

14 That wasn't a particular -- I mean  
15 you're planning to have instructions for all the  
16 forms and all the parts?

17 MS. KATELEY: Yes, yes.

18 MR. SMITH: So the assumption on my  
19 part, and I think other people, was that maybe it  
20 was possibly an oversight or --

21 MS. KATELEY: Yes, there are a couple of  
22 things in here that are clearly typos, and we  
23 intend to fix those.

24 MR. SMITH: Okay. Instruction manual  
25 needs page numbers. Actually, I think it has page

1 numbers.

2 MS. KATELEY: Intermittently.

3 MR. SMITH: Oh, it does. I was looking,  
4 it looks like here, like page 6.

5 MS. KATELEY: Right, we can all find  
6 page 6, but after that it kind of falls off.

7 MR. SMITH: Oh, that's about it, huh?

8 MS. KATELEY: Right.

9 MR. SMITH: The weekly reporting period  
10 is shown as Friday. Some of these things I  
11 haven't really focused on, so if you don't mind we  
12 could -- the reporting period is shown as Friday  
13 12:00 a.m. to Friday --

14 MR. NYBERG: That's a misnomer. If you  
15 added up the time that would be seven days and 12  
16 hours. The intent was to be a seven-day period.  
17 And, again, that's a typo.

18 I believe what we were trying to do  
19 generally was to match the reporting period --  
20 and, Gordon, you can help me on this one -- match  
21 the EIA reporting period for the majority of the  
22 forms where it was appropriate.

23 And also granting leeway to if the  
24 nearest time that is able within the company's  
25 normal business practices, within a couple of



1 hours of that timeframe. We were working  
2 individually with each company on that.

3 MR. SMITH: Okay, is that spelled out in  
4 the instructions, the flexibility?

5 MS. KATELEY: We can add that.

6 MR. NYBERG: We can add that.

7 MR. SMITH: Because I think that, for  
8 us, in talking to some of our people, you know,  
9 they're like, oh, jeez, this is going to -- you  
10 know, we do our forms, you know, we have our close  
11 of business on, you know, at such-and-such a time,  
12 and we do our weekly reports on such-and-such a  
13 time, so.

14 MR. NYBERG: Okay.

15 MR. SMITH: I mean as long as we can --  
16 my feeling, I mean I don't know how you guys feel  
17 about it, but as long as we would commit to  
18 continue doing it whatever way we commit to, even  
19 if we're off by a few hours, maybe half a day. I  
20 mean as long as it's always the same and you get  
21 it and you can incorporate it with the other data,  
22 I don't know that it makes that big of a deal.

23 MR. SCHREMP: No, it shouldn't. And in  
24 fact, what Michael said, we're trying to get a --

25 (Pause.)

1           MR. SCHREMP: Michael's right. There's  
2       two objectives, I think, to the reporting period.  
3       And then what you're talking about, Dave. And one  
4       is we want it made up, what is a week. When doe  
5       the week start, when does the week end. And we  
6       want to try to mate, like Michael was explaining,  
7       what EIA does.

8           MR. SMITH: Okay.

9           MR. SCHREMP: For example, to have  
10      consistency there. The second is what you raised,  
11      Dave, when is my week actually ending. Is it not  
12      exactly that moment. It is 12 hours before; six  
13      hours before, something like that. Certainly that  
14      kind of flexibility is very important to --

15          MS. KATELEY: So we'll make sure the  
16      instructions modify to indicate that.

17          MR. SCHREMP: Yeah.

18          MR. SMITH: So companies will just have  
19      to let you know what they plan to do if it's  
20      somehow or other different than this?

21          MS. KATELEY: That's right.

22          MR. NYBERG: Yeah, we will set out, as  
23      under the instructions, we have a specified time  
24      period. And essentially if you have great  
25      difficulty meeting that time period, please work

1 with us.

2 MR. SMITH: Okay.

3 MR. NYBERG: We expect to see a similar  
4 question and answer, as are currently on, I would  
5 guess, page 2, on the frequently asked questions.  
6 Do I have to use the report format specified by  
7 the Commission. We say no, you can work with us  
8 on an alternative reporting format. Same so with  
9 the --

10 MR. SMITH: What does EIA require for  
11 week? Are these the same EIA weekly times?

12 MR. NYBERG: Yeah, notwithstanding our  
13 typo, yes.

14 MR. SMITH: Okay. So inasmuch as we  
15 should be complying with EIA, this may not be a  
16 problem, I don't know.

17 What about this next one, under -- how  
18 should the data be rounded? Oh, this is just  
19 another typo, okay.

20 MR. NYBERG: Yeah, it was unfortunate,  
21 the key thing was that the words thousand barrels  
22 wasn't included in the text. And so it was  
23 misleading as to how those numbers were being  
24 rounded.

25 MS. KATELEY: So insert the word

1       thousand barrels.

2               MR. NYBERG: Yeah. And then there was  
3 also an inconsistency within there, so that  
4 paragraph will be added.

5               MS. KATELEY: Here's Tom.

6               MR. GLAVIANO: I apologize for being  
7 late.

8               MR. NYBERG: The essence of the rounding  
9 is that .5 -- what are we doing here, .5 are  
10 rounded down and anything greater than .5 is  
11 rounded up.

12              MR. SMITH: .50? Or how are you doing  
13 this? Or doesn't that get to that fine?

14              MR. NYBERG: It depends on what units  
15 and what price and everything else that we're  
16 addressing. But we'll do better to make that  
17 paragraph more clear and consistent.

18              MS. KATELEY: I just want to mention  
19 that Jay McKeeman from CIOMA has arrived and Tom  
20 Glaviano from the Energy Commission Legal Office.

21              And what we're doing, Jay, is we're just  
22 going through the comments we've received from  
23 WSPA.

24              So, you can continue.

25              MR. SMITH: Let's see, the next forms

1 would be the W08 and M08, major petroleum storer  
2 and terminal weekly/monthly report. I have to  
3 look at the forms, but these are storers -- this  
4 doesn't include the refineries, right?

5 MR. NYBERG: That's correct, because the  
6 refineries are captured under the CEC800 and the  
7 EIA800 --

8 MR. SMITH: Right.

9 MR. NYBERG: -- and the 810.

10 MR. SMITH: All right. But I wonder how  
11 this -- I wonder what this comment means to  
12 confirm that companies -- I guess what they're  
13 saying there is that we have a terminal adjacent  
14 to the refiner. So can that terminal be captured,  
15 if we include that terminal on the 800 form --

16 MR. NYBERG: If you are currently doing  
17 that, again I believe the EIA guidelines for how  
18 you were reporting on your refinery operations,  
19 that same methodology is what we rely upon, as  
20 well. Because we do receive essentially a carbon  
21 copy of the EIA form.

22 So, in that case, if the terminal  
23 operations were not being reported on the federal  
24 form we would require that the terminal operations  
25 be added on the CEC-specific form. And the W08

1 would be the means to do that.

2 MR. SMITH: Okay.

3 MR. NYBERG: If you're already including  
4 that terminal operation as part of your refinery  
5 gate inventories with crude oil and blend stocks  
6 and other products, then by no means no W08 would  
7 be required because you already are reporting that  
8 figure.

9 MR. SMITH: Okay.

10 MR. SCHREMP: Except, Dave, the only  
11 exception here on the W08 there is, besides  
12 receipts of product for the week or the month, and  
13 ending inventories for the reporting period, there  
14 is a production element on the first page. And  
15 that's to capture ethanol blended at those  
16 terminals where you're actually loading trucks.

17 MR. NYBERG: Correct.

18 MR. SCHREMP: So, on the forms that  
19 Michael was discussing, the EIA and our CEC forms  
20 we current use, we do not have a -- I believe the  
21 refiners are reporting CARBOB production for the  
22 refinery and not what's coming out of, say, a  
23 terminal that might be adjacent to the refinery.

24 So this is something we'll just work out  
25 with the individual companies that have refineries

1 with a terminal adjacent, that they have  
2 traditionally been reporting that inventory on the  
3 refinery form. We'll just make sure that, oh, by  
4 the way, you guys, you know, blending ethanol at  
5 the terminal, if so, we want you to break out just  
6 that portion on either form. As long as we do  
7 capture it.

8 MR. SMITH: The 800 series, does that  
9 include the production CARBOB or ethanol blending?

10 MR. SCHREMP: Yes, that's correct.

11 MR. SMITH: So they should be doing  
12 that, shouldn't they?

13 MR. SCHREMP: Well, what is happening  
14 now, because under federal reporting regulations  
15 for the Energy Information Administration,  
16 production for gasoline blends containing ethanol  
17 occur at the terminal where the truck is loaded,  
18 and do not occur at the refinery, per se.

19 So refineries will not show reformulated  
20 gasoline being produced at the refinery; it will  
21 show zero. You'll have more blend stocks. And  
22 they'll show the production being captured, all of  
23 the blending terminals, whether adjacent to  
24 refinery or downstream of the refinery.

25 So what we have the companies doing, on

1 a voluntary basis at this point in time, is  
2 actually breaking out how much CARBOB they are  
3 producing at the refinery, each refinery location.  
4 And how much, you know, other gasoline, whether  
5 it's nonoxy reformulated gasoline or conventional.

6 So that's how we are currently capturing  
7 the information. But we will make sure that we  
8 don't have overlap or missing production or  
9 blending information from a terminal in this  
10 example you raise about a terminal adjacent to a  
11 refinery.

12 MR. SMITH: Okay. So the point there is  
13 that you want us to be consistent with the EIA,  
14 how we're doing it with EIA. And then if we do  
15 capture them on the refinery form, we have to have  
16 the terminal production numbers on there, when  
17 they're blending ethanol, right?

18 MR. SCHREMP: Right.

19 MR. SMITH: Okay. Seems reasonable.  
20 One of the things that struck me about the W08 and  
21 the M08, it appears that the reports are  
22 identical. Is that right?

23 MR. SCHREMP: Except for the time period  
24 being covered. The W08 obviously is the weekly  
25 form, and the M08 is the monthly form. So in



1 terms of the information being requested it is  
2 identical, the products, the product codes. The  
3 time period is different.

4 And the Energy Commission, along with  
5 the Energy Information Administration, collects  
6 both weekly and monthly data. The weekly data,  
7 obviously does not meet up nicely to be able to  
8 aggregate into monthly forms. And we do balances,  
9 we would be doing balances on both a weekly and a  
10 monthly basis. Therefore we have both types of  
11 forms, just as the federal government does.

12 MR. SMITH: So the EIA has weekly and  
13 monthly for this?

14 MR. SCHREMP: Correct.

15 MR. SMITH: Okay. We talked about this  
16 before. It's just a matter of the benefits that  
17 you derive from having a monthly form when you get  
18 weekly data.

19 MS. KATELEY: The EIA issued a report  
20 last fall I believe it was. I don't know if you  
21 saw that report, Gordon, where it talked about the  
22 monthly data is actually a little more accurate  
23 than the weekly data because you have an  
24 opportunity of reconciling of your books. And  
25 this helps us with getting the frequency that we

1       need in order to be comprehensive about giving  
2       reports. But monthly gets you the reconciliation.  
3       So that over the long haul we'll rely more on the  
4       monthly reports; but in the short term we need the  
5       weekly data.

6               MR. SMITH: I understand that, but I'm -  
7       - maybe it's a moot point. If IEA is requiring  
8       it, I guess -- I mean personally I don't think --  
9       I mean I can see where the monthly report might be  
10      more accurate than the weekly report, but I can't  
11      imagine that that makes any difference in  
12      anybody's analysis.

13             I mean, you know, can anybody point to a  
14      fact point where that's like, oh, my gosh, we were  
15      thinking it's this and now it's not that, it's --  
16      you know, we thought the diesel supply was going  
17      this way, but oh, we got the monthly data and now,  
18      oh, it's going the other way. You know, forget  
19      it, that's not going to happen. I mean it's --  
20      so, you know, it just seems like we're giving you,  
21      just like you, you know, we just don't have lots  
22      of people anymore.

23             And so EIA is taking weekly and monthly,  
24      and now your forms aren't exactly the same.  
25      Right, so now we're going to have weekly and

1 monthly for your forms. So, going to have EIA  
2 monthly forms -- come on.

3 I mean almost every one of these forms -  
4 - there's a couple forms where you say, okay,  
5 weekly we get this, monthly we get this. And  
6 like, oh, okay, well, maybe there's some rationale  
7 around there. But if you get the same darn data  
8 week after week, and then you're saying, oh, by  
9 the way, now you're going to have to generate  
10 another report that's on a monthly basis. Aren't  
11 you better than EIA?

12 MR. SCHREMP: Well, actually we have  
13 quite a few fewer forms than the EIA does --

14 MR. SMITH: Well, I know, but --

15 MR. SCHREMP: -- all their reporting --

16 MR. SMITH: -- so, well,  
17 congratulations. Have fewer fewer. I mean maybe  
18 we can use your good sense to talk to EIA and say  
19 why do you need these monthly forms.

20 MS. KATELEY: We can't resolve this  
21 right now, but we will definitely take this  
22 comment under advisement and try to do what we can  
23 to work with you on this one.

24 MR. SMITH: Just trying to figure out if  
25 there's some way or other to answer your, you

1 know, this section that you have to get monthly  
2 data. I can't imagine that it's going to be worth  
3 anything to you. How you going to plot this up.

4 I mean, I personally want to help the  
5 Energy Commission on these kind of things. I  
6 think it's -- well, you guys can do what you want  
7 with it. Just seems like this is in a place for  
8 you guys to show some leadership and say, you  
9 know, we don't need these monthly reports. For  
10 the amount of incremental information that you're  
11 going to get out of it, let it go.

12 Okay. there's probably some  
13 clarification things under WSPA's comments about  
14 under the crude oil reporting section, talks about  
15 crude oil domestic including Alaskan. Then  
16 there's another line that says crude oil Alaskan.

17 MS. KATELEY: Right, we'll fix that.

18 MR. SCHREMP: Except for we have to, I  
19 think, take a look at, once again, the EIA form  
20 that I believe was breaking out the domestic crude  
21 oil as is described here on that comment. And so  
22 I think we were trying to be consistent with how  
23 the EIA has been, you know, including Alaska on  
24 one line with the domestic; then there's the  
25 other.

1           So, you know, we'll look at that and  
2           we'll see if making this change isn't counter to  
3           what EIA will continue be required to report on  
4           their federal forms.

5           MR. SMITH: Okay, I don't know that  
6           makes much difference one way or another.

7           MR. NYBERG: From a data perspective it  
8           is easier to have the numbers not include another  
9           number; in other words, separate. So, as Gordon  
10          suggests, we'll have a look at what EIA is doing,  
11          and --

12          MR. SMITH: Okay.

13          MR. NYBERG: -- then relook at that  
14          issue. And correct the spelling of Alaskan to  
15          Alaska.

16          MR. SMITH: Okay.

17          MR. GLAVIANO: Question on the crude oil  
18          reports. Are those -- if the federal report has  
19          Alaska oil included in the domestic, do we need to  
20          get a monthly report on Alaska breakout, or is  
21          that something that can be done either quarterly  
22          or once a year? I mean you're looking for a long-  
23          term trend of crude oil deliveries to the state.

24          MR. SCHREMP: It's far more than that.  
25          I mean you're looking at balances of what comes in

1 each month. And you try and rectify balances for  
2 both crude oil and for petroleum products on a  
3 monthly basis.

4 And once again, this is information that  
5 has been and will continue to be reported or  
6 required to be reported for federal regulations.  
7 And so, I mean we're not, for this particular item  
8 we're not being consistent with what's already  
9 being reported.

10 MR. SMITH: Well, I guess it would seem  
11 like if you can be consistent with EIA, it would  
12 seem like that would be easier for us, wouldn't  
13 it?

14 MR. NYBERG: Yeah, and the consistency  
15 is as it currently exists. They have three  
16 numbers on their form actually. Their domestic  
17 includes Alaska, and then they have a breakout for  
18 Alaska.

19 MR. SMITH: Okay. The next comment  
20 talks about, I think, what we've already talked  
21 about. How the forms would include the blending  
22 Arizona and Nevada gasoline and terminals.

23 MR. NYBERG: The terminals are in  
24 California. That's obviously --

25 MR. SMITH: Right.

1 MR. NYBERG: -- in our view that's okay  
2 to collect. We're not asking for terminals  
3 outside of California, although it would be nice.

4 MR. SMITH: For production.

5 MS. KATELEY: Unless you wanted to give  
6 us that --

7 MR. NYBERG: Yes, that's voluntary --

8 MR. SCHREMP: And another reason, Dave,  
9 is, I mean certainly that is accurate, like  
10 Michael says, is the blending that would occur at  
11 a California terminal that would be for truck  
12 export, such as down in Imperial terminal is one  
13 example.

14 Kinder-Morgan, the only pipeline  
15 operating company who has export pipelines to  
16 Nevada and Arizona, will continue to provide us  
17 information on deliveries, and be adding the  
18 inventory numbers, you know, as would be required  
19 within California.

20 So we'll receive information on what is  
21 delivered to those outside terminals, and continue  
22 to receive the information on a weekly basis.

23 MR. SMITH: Okay. Yeah, one of the  
24 questions that I had was under like the MO8/WO8  
25 under the production for finished gasoline. I

1 believe we've had terminals produce AZRBOB or Las  
2 Vegas BOB at terminals, and then have them  
3 shipped.

4 MR. NYBERG: Those are BOBs meaning?

5 MR. SMITH: BOBs, they're going to be,  
6 ethanol is going to be blended --

7 MR. NYBERG: That's right, so they're no  
8 finished gasoline.

9 MR. SMITH: Right, so are they --

10 MR. NYBERG: They should not be under  
11 finished gasoline.

12 MR. SMITH: Where does that show up for  
13 production, though? Because see, on this form  
14 there doesn't seem like there's a place to put  
15 that number.

16 MS. KATELEY: Finished gasoline  
17 production?

18 MR. SMITH: Yeah.

19 MS. KATELEY: Like the second or third  
20 line down.

21 MR. SMITH: Well, we're not producing  
22 finished gasoline at these terminals. We're  
23 producing a BOB.

24 MS. KATELEY: Oh.

25 MR. SMITH: Then if you go under



1 gasoline there are places for the BOBs.

2 MR. NYBERG: Right, under inventories.

3 MS. KATELEY: Total products received --

4 MR. SMITH: Total products received

5 inventory --

6 MR. NYBERG: Because the terminal is not

7 creating AZRBOB or Las Vegas BOB; the refinery is.

8 MR. SMITH: No.

9 MR. NYBERG: No?

10 MR. SMITH: No.

11 MR. NYBERG: Oh?

12 MS. KATELEY: So we should add two lines

13 to --

14 MR. NYBERG: This is new.

15 MS. KATELEY: We should change that

16 title, finished gasoline and BOBs and add those.

17 MR. SMITH: What I'm saying that under

18 certain circumstances we can blend up; there's no

19 reason why we can't blend up BOBs at a terminal.

20 MR. NYBERG: Okay.

21 MR. SMITH: Because of the volumes.

22 MR. SCHREMP: So to understand what

23 you're saying, Dave, is there can be circumstances

24 where you will load a truck --

25 MR. SMITH: No, --

1 MR. NYBERG: With BOB.

2 MR. SMITH: No, we will make, I don't  
3 know how often we've done it, but there's a chance  
4 that you could make an AZRBOB at Hawthorne or one  
5 of our terminals, and put it on the pipeline and  
6 send it to Phoenix.

7 MR. NYBERG: And it did not come from  
8 the refinery as --

9 MR. SMITH: Absolutely not.

10 MR. NYBERG: -- as that product.

11 MR. SMITH: It was made at the terminal.

12 MR. SCHREMP: Okay, well, that we could  
13 adjust the form to collect that information, what  
14 I'm hearing.

15 MR. SMITH: I don't know how often, but  
16 I mean just from a real, I mean the amount -- the  
17 volumes, you know, that we need to send over there  
18 aren't that great. And sometimes, you know, the  
19 way to do that is we, you know, you can bring  
20 product, you can bring materials from the  
21 refinery; you can import materials; and you bring  
22 them to the terminal. You don't take it to the  
23 refinery.

24 MR. NYBERG: Okay. Yeah,  
25 informationally that's an important thing to know

1 as far as the Commission goes.

2 MR. SMITH: Well, you know, it may turn  
3 out nobody does it, but --

4 MR. NYBERG: Right.

5 MR. SMITH: -- I know that we've done it  
6 occasionally.

7 MR. SCHREMP: And we'll take a look at  
8 what you're telling us, Dave. I believe it's  
9 possible to collect that movement, that export  
10 movement on our export form where we do have a  
11 pipeline export element. So that's --

12 MR. SMITH: Okay.

13 MR. SCHREMP: -- we'll have to look at  
14 that. What we want to avoid is once again double  
15 counting what is being exported on the pipeline.

16 MR. SMITH: Yeah, maybe there's some  
17 other way to capture that, or some instructions  
18 for this form to say if you do produce a BOB at a  
19 terminal in California, you know, report that  
20 under -- report it in your inventory. You could  
21 report it in your --

22 MR. NYBERG: What would it --

23 MR. SMITH: -- inventory.

24 MR. NYBERG: -- show up as inventory?  
25 What product are you converting to create that?

1 MR. SMITH: It would be blend stocks.

2 MR. NYBERG: Okay, okay, I see what  
3 you're saying.

4 MS. KATELEY: I just want to take a  
5 moment to introduce Lois Ambrose from Shore  
6 Terminals who has just arrived. And welcome; and,  
7 you know, this is being done very informally, so  
8 please, Jay or Lois, Dave does not have the floor  
9 exclusively, but --

10 MR. SMITH: No, I'd just as soon give it  
11 away.

12 MS. KATELEY: -- you're welcome to add  
13 your comments on how you feel about these  
14 reporting form format instructions.

15 MR. McKEEMAN: (inaudible) finished --

16 MR. SMITH: Uh-oh. Well, we were  
17 talking about W08 and M08.

18 MS. KATELEY: Which is the terminal  
19 report.

20 MS. AMBROSE: Right.

21 MR. SMITH: Is there a reason to keep  
22 the CARB RFG-MTBE?

23 UNIDENTIFIED SPEAKER: (inaudible).

24 MR. SMITH: Yeah, there's a line under  
25 gasoline for CARB RFG-MTBE.

1           MR. NYBERG: Well, it's still in the  
2       database for the old history.

3           MR. SCHREMP: Yes, Dave, by the -- well,  
4       to answer your question, it would make sense to  
5       retire that particular product code designation  
6       since it's no longer legal to produce that type of  
7       gasoline in California. By the time these forms  
8       are approved -- well, right now, there is no  
9       production of CARB reformulated gasoline  
10      containing MTBE.

11          MR. SMITH: Okay.

12          MR. McKEEMAN: I have a question on that  
13      point. Is there any -- maybe a several-point  
14      question. I guess the first part of the question  
15      is do these reporting forms apply to tribes that  
16      are importing gasoline?

17          MR. SCHREMP: The forms are -- not on  
18      the inventory forms, but on the import and export  
19      forms (inaudible). Excuse me. The reporting  
20      forms are designed to collect nonCalifornia fuel  
21      imported back into the state for sale at exempt  
22      locations.

23          Jay -- CIOMA gave us one example of  
24      possibly an Indian casino location that is  
25      dispensing fuel that may be exempt from California

1 regulations. In that circumstance could we see  
2 California reformulated gasoline with MTBE? No,  
3 because it wouldn't be available. But we could  
4 see conventional gasoline from say, Nevada, being  
5 brought back into a California location that is  
6 exempt from California regulations.

7 The forms on the import basis have a  
8 section for nonCalifornia fuel trucked to such a  
9 location. And the people doing the gasoline or  
10 exempt movement by truck would be the party  
11 required to report, not the casino in the example  
12 that Jay gave.

13 MR. SMITH: Okay. I think that was all  
14 the things I wanted to talk about those two forms,  
15 unless somebody else wanted to.

16 MS. KATELEY: Anybody else?

17 MR. SMITH: Okay.

18 MS. KATELEY: We can always go back if  
19 you think of something.

20 MR. SMITH: Yeah. W700, importers,  
21 exporters, interstate movement weekly reports.  
22 There is a monthly report, too, isn't there?

23 MS. KATELEY: Yes.

24 MR. SMITH: Are they identical?

25 MS. KATELEY: Somewhat. The monthly

1 report requires more reporting information that  
2 you would not necessarily have at the point of the  
3 time of the closing week.

4 MR. SMITH: Okay. These are  
5 companywide, right? So, I mean we have to capture  
6 all the various imports and exports through  
7 whatever port we're talking about.

8 MS. KATELEY: California.

9 MR. SMITH: For like BP we'd import  
10 product into San Francisco and Los Angeles; that  
11 will all be captured on this one form. And are we  
12 currently providing you a form like this?

13 MR. NYBERG: I'll have to take that  
14 under advisement.

15 MS. KATELEY: We'll have to get back to  
16 you --

17 MR. NYBERG: Yeah, I don't know on that  
18 one. I know BP is currently reporting on the  
19 terminals, on the 900. The 700 has not been my  
20 top priority at the moment.

21 MR. SMITH: Is there an EIA form like  
22 this? The only reason I'm asking these questions,  
23 this is going to be a bit of an effort, I think.  
24 Not because it -- because I think we're going to  
25 have to try to corral different people together.

1 The information will have to come together in one  
2 location. Especially when you're talking about  
3 imports and exports. I mean there are different  
4 people working on that kind of stuff.

5 MS. KATELEY: You mentioned that the  
6 last time we discussed this form. First, doing  
7 workshops on the forms and --

8 MR. SMITH: Are we thinking for  
9 implementation that all these forms will start at  
10 once? Or have you thought -- I mean, in other  
11 words, like we're now voluntarily doing one or two  
12 forms. But are we thinking that, you know, once  
13 you go through this whole process that, you know,  
14 certain date, boom, they all hit? Or would you  
15 think about maybe phasing them in? So, I don't  
16 know.

17 MS. KATELEY: I can commit that we'll  
18 think about it.

19 MR. SMITH: I hadn't really thought  
20 about it one way or another.

21 MS. KATELEY: Yeah, we hadn't, either.  
22 But, now that you've raised it we'll think about  
23 it. But it might end up being something like  
24 we're talking about with the EIA flexibility, you  
25 know, reporting closing periods and we'll just



1 work with individual companies.

2 MR. SCHREMP: I mean I think, Dave, you  
3 will see almost a natural phasing in, if you will,  
4 on some of these forms. And in particular the one  
5 you mention here. There are many different  
6 entities of the various companies that would be  
7 required to be pulled together and working through  
8 those issues to get consistent reporting.

9 On our side we will be working on some  
10 of these forms with identifying new reporting  
11 parties that have not been reporting to us or the  
12 federal government at this time. And so I think  
13 to that extent you will see, you know, a working  
14 in, if you will, or a phasing in, to make sure  
15 everybody is reporting consistently, and that we  
16 are capturing all the necessary respondents. So,  
17 from that extent, yes, there will be a natural  
18 phase-in period.

19 And a note on the import form, we did  
20 recognize difficulty for the collection of this  
21 type of information. And that is why on the  
22 weekly form not only are we asking for less  
23 information than the monthly form, but we have  
24 blanked out some of the reporting fields, such as  
25 vessel name and point of origin, we understand can

1 be problematic to get a turnaround of that  
2 information in a matter of days.

3 Which on the monthly form is our way of  
4 collecting that data with more accuracy and  
5 specificity because there's certainly more time  
6 for the companies to rectify the data and report  
7 to us on that monthly cycle period.

8 MR. SMITH: Yeah, okay, that's good.

9 MR. McKEEMAN: Dave, can I mention  
10 one --

11 MR. SMITH: Yes, absolutely, go ahead.

12 MR. McKEEMAN: One of the things that I  
13 just noticed about the difference between the W700  
14 and the M700, is in the W700 it specifies who  
15 needs to make the report; in the M700, it doesn't.

16 MR. SMITH: Are you looking at the  
17 instructions?

18 MR. McKEEMAN: Yeah, I'm sorry, in the  
19 instructions.

20 MR. NYBERG: We can fix that.

21 MR. McKEEMAN: Is it the same people  
22 from W700 to M700?

23 MR. NYBERG: That's the way I understood  
24 it, yes.

25 MR. McKEEMAN: Okay. So that's

1 importers, exporters and major product  
2 transporters, right? Is there -- this is a  
3 general statement and I talked to Sue about it.  
4 It would be extremely helpful to have the  
5 definitions of these terms in these instructions,  
6 because certainly for volume purposes that's --

7 MS. KATELEY: Yes.

8 MR. McKEEMAN: -- going to be a key port  
9 for our members as to, you know, how much volume  
10 they're moving and whether they're required to be  
11 involved, so --

12 MS. KATELEY: We'll be sure to include  
13 that.

14 MR. McKEEMAN: Okay. That's it, Dave,  
15 thanks.

16 MR. SMITH: I guess WSPA had some  
17 comments about some of the instructions needed to  
18 be updated, about some of the new pipeline  
19 sections that the instructions do not address.  
20 I'm sure you'll take care of those.

21 There's one question here I didn't quite  
22 understand it. Need to define product regrade and  
23 delivery terminal, to or from. Do we report both  
24 pipeline shipments within California and to  
25 outside of California? Does that make sense?

1 Marine import from foreign and domestic sources;  
2 marine exports to foreign and domestic. Pipeline  
3 export.

4 MS. KATELEY: They don't have intrastate  
5 pipeline.

6 MR. SCHREMP: Your first question, I  
7 think, on the WSPA comments, new section, I think  
8 per my earlier comments we understand that only  
9 one company owns and operates pipelines that would  
10 pertain to the pipeline export reporting  
11 requirement. That would be Kinder-Morgan. And  
12 should not be germane to intrastate movements of  
13 products.

14 MR. SMITH: We don't have to report  
15 under pipeline exports?

16 MR. NYBERG: If you have pipelines that  
17 export --

18 MR. SCHREMP: If you --

19 MR. SMITH: If we use a common carrier  
20 to export our product, we don't report this.

21 MR. SCHREMP: That is correct. To avoid  
22 double counting since in theory Kinder-Morgan will  
23 be reporting all volume, all product types  
24 exported outside of California to Reno, Las Vegas,  
25 Phoenix and Tucson.

1           MR. NYBERG: And that's where the  
2       regrade kicks in. I didn't include it on the --  
3       where that came from until Gordon reminded me on  
4       the Kinder-Morgan. So we do currently collect  
5       this data. And essentially this concept in the  
6       form is a placeholder for the possibility that  
7       someone other than Kinder-Morgan might enter into  
8       this capability.

9           MR. SMITH: Okay.

10          MR. NYBERG: I think that's right,  
11       Gordon.

12          MR. SCHREMP: Yeah, we anticipate  
13       Kinder-Morgan will be the only company reporting  
14       pipeline exports on these export forms. Now,  
15       except for that one point in the example you  
16       raised, Dave, about I'm blending a batch of export  
17       gas at a terminal, it wasn't produced at my  
18       refinery and I'm going to the pipeline for export  
19       on Kinder-Morgan. Now, Kinder-Morgan should  
20       capture that movement here.

21                 And then capturing the movement of the  
22       gas and blend stocks into a marine facility that  
23       you operate. So, in essence, movement around your  
24       refinery, not produced at the refinery, should  
25       capture both the receipt and this exported

1 product.

2 MR. SMITH: Okay. So this question that  
3 WSPA asked, do we report both pipeline shipments  
4 within and to outside, the answer is no?

5 MR. NYBERG: Well, you do if it was  
6 applicable to you. And as once we --

7 MR. SMITH: Oh, if we own the pipeline?

8 MR. NYBERG: -- once we get the  
9 definitions in, as Jay has suggested, --

10 MR. SMITH: We do own pipelines. We do  
11 own pipelines.

12 UNIDENTIFIED SPEAKER: You own pipelines  
13 that export?

14 MR. SMITH: We don't own any pipelines  
15 that exports, but we do own pipelines that, you  
16 know, move product from the refinery to a terminal  
17 or a refinery to a marine terminal, or from a  
18 refinery to an airport. Some of those are  
19 proprietary lines. Those wouldn't be pipeline  
20 exports. Those are just movements --

21 MR. SCHREMP: That's right.

22 MS. KATELEY: -- your own facilities --

23 MR. SMITH: Yeah, but I wonder, what  
24 about if you're using a pipeline that goes to the  
25 marine facility where the material is exported. I

1       guess then that gets captured by the marine  
2       terminal?

3               MR. SCHREMP:   Yes.

4               MR. SMITH:   Yeah, you're not really  
5       exporting.

6               MR. SCHREMP:   It would be the tanker or  
7       barge that removed the product from the port.   And  
8       that's why the form has essentially three major  
9       sections.   So, by all means, we don't want to  
10      double count and double collect information on it.

11              MR. SMITH:   Okay, good.   And do the  
12      directions talk about discharge dates and load  
13      dates where they start on one date and go to the  
14      next date, you've dealt with that?

15              MR. SCHREMP:   And if they don't  
16      currently meet your needs, we'll address that to  
17      fix it.

18              MR. SMITH:   Okay.   I guess, I didn't  
19      look at it but apparently, I don't see any  
20      comments on it.

21              MS. KATELEY:   I remember at one point I  
22      did make changes to the instructions, but it's  
23      been awhile.

24              MR. SMITH:   See, it's changed the marine  
25      and rail sections.   Do not address, and you find

1 the change in these sections. Okay. Don't know  
2 what those are. Okay, well, that's interesting,  
3 pipelines. I figured we were going to have to  
4 report pipeline movements. Okay, that's good.

5 MR. SCHREMP: I think, Dave, only to the  
6 extent that, I mean you mentioned that there are  
7 some companies that have proprietary pipelines  
8 that go to terminals within California. That's  
9 how they're moving product to those terminals.

10 The weekly/monthly terminal reporting  
11 form will capture those receipts at each of those  
12 finite terminals. And those obviously were, in  
13 most cases, delivered by pipeline. In some cases  
14 we'll see the ethanol had been delivered by truck.

15 MR. SMITH: Okay.

16 MR. GLAVIANO: So you're saying like BP  
17 would not be required to report under these two  
18 forms, monthly and weekly?

19 MR. SMITH: -- pipeline.

20 MR. SCHREMP: Right, I'm saying BP and  
21 other majors and other refiners, noncom carriers  
22 would not be expected to be reporting on these  
23 forms for the pipeline export section because  
24 there are no other pipelines for petroleum product  
25 export other than a common carrier at this time.



1           If a company were to purchase such an  
2   asset and continued to operate in an export  
3   fashion, then, yes, that new company, if a noncom  
4   carrier, would be required at future time to  
5   report.

6           MR. GLAVIANO:   Okay, but now for the  
7   intrastate movements what if you're talking about  
8   it would come from the refinery to --, then is  
9   that going to be reported on the M700?

10          MR. SCHREMP:   No, it will not show up on  
11   the M700; it would show up in the weekly, the W08  
12   and the M08 inventory forms and terminal reports  
13   as a receipt at that location.

14          MR. GLAVIANO:   All right, so then only  
15   Kinder-Morgan will be reporting at this current  
16   time, these two forms, 700M and W700 apply to  
17   Kinder-Morgan.

18          MR. SMITH:   For the pipeline section.

19          MR. SCHREMP:   For the pipeline export  
20   section only.

21          MR. SMITH:   The other sections will  
22   report, marine imports, marine exports, rail, rail  
23   imports and exports will report.

24                 Rail import from foreign and domestic  
25   sources.   Rail exports to foreign and domestic

1 destinations. I suppose, I mean I hadn't thought  
2 about this, is this -- I guess we're talking about  
3 when we, you know, when we sell let's say a  
4 railcar of something or other, LPG or something.  
5 If we're selling it to somebody in, I guess it  
6 depends on where they take delivery? Is that how  
7 we define it? Or something?

8 I mean like if you sell it to somebody  
9 and their office is in Long Beach, but the  
10 product's going to Arizona or Timbuctu?

11 MR. SCHREMP: It would be something like  
12 how imports off of marine vessels is reported now.  
13 And there is an ownership of the product, it being  
14 received, across the manifold into a facility.

15 MR. SMITH: Um-hum.

16 MR. SCHREMP: Now, if it's your own  
17 proprietary manifold, at a marine terminal  
18 location you receive imports and you control the  
19 tanks and you know what the receipts are and you  
20 know what the inventory levels are, because you  
21 control those tank assets. Then you would be the  
22 required reporting party regardless of ownership  
23 of the actual product.

24 What we're attempting to do is collect  
25 the physical movements by finite locations

1 accurately. For example, Kinder-Morgan, at all  
2 their terminals where they control the tanks, they  
3 will be required to report the receipts and the  
4 inventory levels on a weekly and monthly basis at  
5 those physical locations.

6 And companies that have their own  
7 proprietary terminal would be required to do the  
8 same. So, we're trying to avoid double counting  
9 in situations where a terminal location may have a  
10 combination of community storage tanks and leased  
11 tanks.

12 MR. SMITH: Okay.

13 MR. SCHREMP: Whoever has, you know,  
14 control of, you know, say the maintenance and  
15 physical preparedness of the tanks would be  
16 required to report that information regardless of  
17 ownership of the product.

18 So I think, to try to answer your  
19 question specifically on the rail, Dave, if the  
20 person who has ownership and makes that rail  
21 movement outside the state, it's the one who has  
22 ownership and control of the rail car.

23 So in the example where you give, say  
24 I'm selling some rail car loads to somebody else  
25 inside California, they will be doing exporting of

1       that. We will need to identify who those parties  
2       are that are actually doing the export. They  
3       would then be required to make that movement  
4       report to us.

5               MR. SMITH: So if they take ownership of  
6       the material at our, you know, at the rail  
7       facility or once it crosses our property line,  
8       then the load location is Carson Refinery. And on  
9       our monthly reports where we have destination  
10      country or destination state I guess we would just  
11      report USA and California.

12             MR. SCHREMP: Correct.

13             MR. SMITH: Now, if on the other hand we  
14      shipped somebody a railcar of product and they  
15      took ownership when it was offloaded in Arizona,  
16      then I guess it would be USA Arizona.

17             MR. SCHREMP: That is correct.

18             MR. SMITH: So it all has to do with  
19      ownership. Okay. So that's what you're going to  
20      get. I suspect a lot of the ownership occurs when  
21      we load the railcar and it leaves our property,  
22      it's theirs. Right? Don't you think so? I  
23      think, I would think.

24             MR. McKEEMAN: Typically that's how, you  
25      know, a jobber picks up his fuel; puts the card in

1 the rack and that's his fuel at that point, so.

2 I'm not familiar with railroad -- I mean I can  
3 imagine a scenario though, where a fuel trader  
4 purchases some stuff and I don't know if the  
5 refiner knows the destination of that stuff at the  
6 time that the trader --

7 MR. SMITH: And you don't capture truck  
8 traffic?

9 MR. NYBERG: It depends on the size of  
10 the trucker, you know, the volume of material that  
11 the truck --

12 MR. SMITH: You don't look at trucks?

13 MR. SCHREMP: The example that Jay gave  
14 on somebody picking up product at a terminal in  
15 California and then delivering to another end  
16 user, whether that's a card lock facility or a  
17 retail station, no, we are not attempting to  
18 capture that individual movement by truck.

19 But with regard to the import of non  
20 California petroleum product for sale at exempt  
21 locations that are moved by truck we are  
22 attempting to capture that truck movement. But  
23 beyond that one example, no.

24 And -- excuse me, there is an example, I  
25 believe, there may be an example here of truck

1 export where you'll -- let me check on that.

2 MR. SMITH: You put the truck on a boat.

3 (Laughter.)

4 MR. SCHREMP: Okay, yes, on the truck  
5 export that is an attempt to accurately capture  
6 the petroleum products leaving a California  
7 terminal and being trucked across the border. And  
8 that would be across the border into either  
9 Arizona, Nevada, Oregon, or in some cases into  
10 Mexico. So there is some truck movement in those  
11 directions.

12 MR. SMITH: Are you saying you are  
13 capturing them?

14 MR. SCHREMP: Yes, that would be  
15 captured not on a weekly basis, but on a monthly  
16 basis.

17 UNIDENTIFIED SPEAKER: What form?

18 MR. SCHREMP: On the M700.

19 MR. SMITH: M700.

20 MR. SCHREMP: That would be on page 4.

21 MR. SMITH: Oh, yeah, non California  
22 fuel delivered by truck.

23 MR. McKEEMAN: But you just said that  
24 the same qualifiers apply for -- W900 and the  
25 M700, and that is --

1           MR. SCHREMP: To clarify, the W700, the  
2 weekly form is a smaller subset of the monthly  
3 form, the M700. We are attempting on the weekly  
4 basis to capture the movements by rail, marine and  
5 pipeline.

6           And on the monthly form we are also now  
7 adding in a trucking element. In the example I  
8 gave of non California fuel coming into the state  
9 from some location outside and being sold in an  
10 exempt location and exports, via truck, from a  
11 California terminal to a destination outside of  
12 California, whether a neighboring state or Mexico.

13          MR. McKEEMAN: Okay, so that's a  
14 differentiation in the M and the W, if it isn't  
15 defined in the instructions, correct? And so  
16 this, the M700 is going to have to be distributed  
17 to every trucking firm in the state that might  
18 haul fuel.

19          MR. SCHREMP: In terms of hauling fuel  
20 from a couple of terminals that do have truck  
21 moving outside the state. And for those trucking  
22 companies that do move fuel that would fall under  
23 our California exempt fuel definition.

24          MR. McKEEMAN: Here's my thought. I  
25 think, as both Arizona and Nevada move more

1 basically California-spec fuels, I think you're  
2 going to see more incidental truck movements from  
3 California terminals over there.

4 And, you know, that could be a small  
5 trucking firm; that could be a large trucking  
6 firm. It could be, you know, a multipurpose  
7 trucking firm, as long as they got the  
8 credentials. There's an issue in terms of how  
9 widely you're going to distribute this information  
10 and who's going to be responsible for reporting;  
11 and how many people are aware of that, so.

12 MS. KATELEY: Gordon, is that all  
13 truckers or is there a volume threshold?

14 MR. SCHREMP: On the non --

15 MS. KATELEY: The monthly 700 truck.

16 MR. SCHREMP: The monthly 700 truck, the  
17 non California, we do specify that it's basically  
18 each truckload, if you will, each movement.

19 MS. KATELEY: So all trucks, all trucks  
20 carrying --

21 MR. SCHREMP: California exempt fuel  
22 from outside the state to a destination within  
23 California, selling exempt fuel, yes.

24 MR. SMITH: You know, when I read this  
25 under -- let's see here -- on the monthly form,



1 under there's pipeline exports and then there's a  
2 bolded line that says non California fuel delivery  
3 by truck. I thought we were talking about  
4 exports. That we were taking non California fuel  
5 and delivering it into Arizona and Nevada. Is  
6 that what we're -- this is on page 3 of 5. M700.

7 MR. SCHREMP: The information, the  
8 question for page 3 of 5 of M700 has to do with  
9 the non California fuel delivery by truck. That  
10 would be basically an import, we believe, in most  
11 cases.

12 Now, is it possible to move a non  
13 California fuel from a California location to an  
14 exempt distribution location? I don't know the  
15 answer to that question at this time. The  
16 assumption was that the non California fuel was  
17 originating outside of the state.

18 MR. SMITH: The reason I went there I  
19 read this line up here that says pipeline export.  
20 So then I went down here and I read that. And so  
21 I'm thinking that we're taking Arizona gasoline by  
22 truck from a California terminal into Arizona.

23 MR. SCHREMP: We will -- I believe it's  
24 quite clear in the manual, maybe not in the  
25 instructions it's not as clear as it should be,

1 but we will make appropriate changes to the  
2 labeling here so that as a delivery to a  
3 California location just to --

4 MR. SMITH: This isn't necessarily  
5 import or export, is it?

6 MR. SCHREMP: Well, like I said, we  
7 believe that the point of origin for non  
8 California fuel is a location outside of the  
9 state.

10 MR. SMITH: Really?

11 MR. SCHREMP: Yes.

12 MR. SMITH: Could it be inside the  
13 state?

14 MR. SCHREMP: Yes. Evidently that may  
15 be possible but I don't know the answer to that  
16 question. Under California Air Resources Board  
17 regulations they actually may prohibit that  
18 movement. But I don't know the answer  
19 definitively to that example you raise.

20 MR. SMITH: Okay, so as far as I can  
21 tell we're not going to be reporting under here.  
22 I don't think BP supplies any non California fuel  
23 to exempted facilities.

24 MR. McKEEMAN: Dave, the problem that  
25 we've had is, and the way it's been reported to

1 us, is that there are some tribes in border areas  
2 like up in Crescent City, over in Bishop, Feather  
3 Falls where I think there's a case right now up in  
4 Susanville, also, where tribes are picking up  
5 basically federal RFG; bringing it into the state;  
6 and selling it at service stations on  
7 reservations.

8 MR. SMITH: I see, okay.

9 MR. McKEEMAN: Now, I think that does  
10 bring up if a refiner makes California RFG could  
11 it be available inside the state. I guess it  
12 could.

13 The problem that we've had, or I should  
14 say ARB has had in terms of enforcement actions is  
15 that the fuel is being purchased by a Native  
16 American distribution company and being sold to a  
17 Native American tribe. So chain of title stays  
18 clean all the way up the chain, and there is no  
19 intermediary to go after in that sense.

20 MR. SMITH: Okay.

21 MR. McKEEMAN: So, I don't know that a  
22 tribe couldn't go directly to a refiner and make  
23 arrangements to buy fuel in California, or federal  
24 RFG in California, and arrange for terminal  
25 delivery. I mean that's something that could

1       happen.

2               MR. SMITH:   Okay.   All righty.

3               MR. SCHREMP:   And which is why we are --  
4       our intention is to collect the movement  
5       information from the transporter who, in probably  
6       almost all cases, is not the owner of the product.

7               MR. SMITH:   Okay.   And then WSPA had a  
8       question on page 4 about movements between marine  
9       vessels, and what that was about.   I don't think  
10      you're talking about lightering, where you take,  
11      you know, a big ship and you lighter to a smaller  
12      ship and bring that into a harbor or something.  
13      You're talking about something else?   Maybe the  
14      instructions aren't clear on that.

15              MR. SCHREMP:   What we are talking about  
16      on this form, or the intention is to capture a  
17      bunkering, actually.

18              MR. SMITH:   Bunkering?

19              MR. SCHREMP:   Yes.   One marine vessel  
20      loading bunker fuel, say, into another marine  
21      vessel.   That transfer, if you will.   Because of  
22      the marine export form is capturing movements  
23      loading the vessels at a marine dock, marine wharf  
24      facility, and would not be capturing movements  
25      that are another marine vessel loading another

1 marine vessel in the harbor.

2 And some of these volumes can be  
3 significant from our understanding in marine  
4 bunkering.

5 MR. SMITH: This is like you're  
6 refueling the vessel, is that what we're talking  
7 about?

8 MR. SCHREMP: That's correct.

9 MR. SMITH: Oh. There are some  
10 companies in Los Angeles and Long Beach who are  
11 actively involved in bunkering activities that we  
12 anticipate would be filling this form out for the  
13 Energy Commission.

14 MR. SMITH: Well, we have, I mean at our  
15 terminal I know that we have the ability to  
16 provide fuel to vessels under certain  
17 circumstances. I also am aware that vessels will  
18 get refueled while they're in harbor. I can't  
19 recall, there may be some limitations on them  
20 bunkering, as you're using that term, while  
21 they're actually at our dock. I think they can do  
22 that, but I'm not exactly sure.

23 There's obviously some safety issues  
24 there. Or not particularly, you know, if -- so  
25 does this mean that you're going -- what about --

1       so this would be -- this is like we sell fuel to  
2       wholesalers who will bunker fuel.  So what kind of  
3       -- so are we talking like diesel, marine fuel,  
4       ECD, ultra low sulfur diesel or whatever, right?

5               MR. SCHREMP:  Right, but what we're  
6       trying to capture here is the actual physical  
7       transfer of the product.  And I understand what  
8       you're saying, you will, in fact, sell some fuels  
9       that do end up in marine bunkering activity.

10              MR. SMITH:  Right.

11              MR. SCHREMP:  And I don't believe the  
12       sale of that fuel should be reported on this form,  
13       but --

14              MR. SMITH:  Okay.

15              MR. SCHREMP:  -- the actual activity, on  
16       a monthly basis, of making transfers from one  
17       marine vessel to another marine vessel should be  
18       reported on this form by those parties that  
19       undertake that type of activity.

20              Now, the other point you raised about  
21       well what about a vessel that comes into port and  
22       may be discharging at a particular wharf location  
23       one type of product; and then either at the same  
24       time or after the discharge has been completed,  
25       load fuel for bunker fuel.  And that you're not

1 actually loading the vessel for, say, movement to  
2 another location in California, out of state, or  
3 foreign location. What about that movement.

4 Now, I do not believe the form, as we  
5 have crafted it here, will accurately collect that  
6 physical transfer.

7 So the question is does that type of  
8 activity go on at more than one location where  
9 vessels will be bunkered at a wharf and therefore  
10 fall out, not be captured in these product  
11 movements on the monthly forms. You know, is that  
12 possible.

13 So I think what we'll probably have to  
14 do is contact some of the companies and either,  
15 you know, verify that, in fact, no, that practice  
16 is not employed by us at these marine terminals.  
17 We want to be assured we're collecting the lion's  
18 share of the physical transfers marine vessel to  
19 marine vessel.

20 MR. SMITH: Well, I mean you're -- okay.  
21 You're not really -- what you're really interested  
22 in doing is tracking the refueling of marine  
23 vessels while they're in harbor?

24 MR. SCHREMP: Yes.

25 MR. SMITH: You don't really care if it

1       came from a marine vessel or a marine terminal, or  
2       from a truck or --

3               MR. SCHREMP:  No.  It was just our  
4       understanding that the predominant practice was  
5       this marine vessel to marine vessel.

6               MR. SMITH:  Oh, I don't know that.

7               MR. SCHREMP:  Now, so --

8               MR. SMITH:  Why don't you re-label this,  
9       then.  Why don't you call it refueling of marine  
10      vessels or something.  Because I think when people  
11      saw this maybe they didn't read the directions.

12              MR. MCKEEMAN:  It could be interpreted  
13      as lightering.

14              MR. SMITH:  I mean I would encourage you  
15      to maybe think of a different term, and then I  
16      assume that your instructions are clear about what  
17      you're talking about here.

18              MR. SCHREMP:  If that will make them  
19      clearer.

20              (Laughter.)

21              MS. KATELEY:  Anything you can do to  
22      help us on that.

23              MR. SMITH:  Again, you know, we're  
24      talking -- you know, we may not -- I would think  
25      that we don't do much of this at our marine



1 terminals. But we do a little bit occasionally I  
2 guess.

3 MS. KATELEY: Jay has a comment?

4 MR. McKEEMAN: Yes. I know a couple of  
5 our members do a lot of this. So I would suggest  
6 strongly you get with me and we'll talk to them  
7 about the feasibility of all of this.

8 MS. KATELEY: Okay.

9 MR. McKEEMAN: I think we need to go  
10 through the exercise of talking to them. Because  
11 if it's a new requirement I'm sure they'll have  
12 something to say about it.

13 MS. KATELEY: We'll be glad to do that.

14 MR. SMITH: This is probably a whole  
15 different group of people that you haven't talked  
16 to, or at least, you know, --

17 MS. AMBROSE: Possibly the barge  
18 companies, I mean the ones who are doing the  
19 transfer.

20 MR. SMITH: Yeah, yeah, that's who --  
21 I'm trying to think of the guy, the company that  
22 runs out of Long Beach or Los Angeles that they're  
23 selling ultra low sulfur diesel now.

24 MR. McKEEMAN: GP probably, General  
25 Petroleum or Yancovich.

1 MR. SMITH: Yancovich.

2 MS. KATELEY: Yancovich.

3 MR. SMITH: Yeah. And he got it because  
4 the platforms have stationary diesel engines. And  
5 they need to use it. So, okay.

6 Well, that's kind of an interesting --  
7 so you think this is significant volumes? You'll  
8 find out, I guess.

9 MS. KATELEY: That's right, we'll find  
10 out.

11 MR. SMITH: But, you know, you're not  
12 really focused, I mean you're thinking that most  
13 of the fuel and refueling goes on by a bunkering  
14 through like from a barge to a ocean-going vessel  
15 or stuff like that. And so by doing it this way  
16 you're going to be capturing the lion's share of  
17 the refueling of marine vessels.

18 MR. SCHREMP: That is correct; that's  
19 what we believe, that these barges are loaded at a  
20 particular wharf. And then they discharge into a  
21 marine vessel in a bunkering format already in the  
22 harbor. And then they go back to the wharf, pick  
23 up more fuel. So what we'll actually be seeing  
24 is, and this may a lot of production of resid and  
25 then there's -- it's not going anywhere in the

1 pipelines or marine export.

2 But somehow it is going somewhere, so  
3 this is the attempt to actually capture those  
4 loadings.

5 MR. SMITH: Okay.

6 MR. SCHREMP: And the flag designation  
7 is an attempt to capture how much is going for,  
8 say an export situation, versus say an interstate  
9 situation where it would be a U.S. flag ship, a  
10 domestic movement.

11 MR. SMITH: Okay.

12 MS. KATELEY: Anybody want to take a  
13 break? Get some more coffee?

14 MR. SMITH: It's really interesting  
15 stuff.

16 MS. KATELEY: Thank you.

17 (Laughter.)

18 MS. KATELEY: Maybe I should go get the  
19 coffee for you.

20 MR. SMITH: Okay, well, that's it for me  
21 on those M700 and W700.

22 W900 and M900.

23 MS. KATELEY: Yes, sir.

24 MR. SMITH: We're doing the W900s,  
25 right?

1 MS. KATELEY: Yes.

2 MR. SMITH: And the M900s contain more  
3 information, require more information, right?

4 MS. KATELEY: They do.

5 MR. SMITH: Except what the guy who's  
6 reporting now says.

7 MS. KATELEY: Yes. Tom.

8 (Laughter.)

9 MS. KATELEY: Poor guy.

10 MR. SCHREMP: I think the -- the forms  
11 in the package, the W900, M900 are identical  
12 except the reporting period, of course, is  
13 different. Now, the companies, I believe on a  
14 voluntary basis, are providing some dealer tank  
15 wagon information on an interim form --

16 MS. KATELEY: Interim forms are  
17 different.

18 MR. SCHREMP: -- that is different from  
19 the two forms you see in your package here.

20 MS. KATELEY: So, tell Tom the new forms  
21 will be identical.

22 MR. SMITH: Oh, that will make him  
23 happy.

24 MS. KATELEY: One monthly and one  
25 weekly.

1 MR. SCHREMP: But the new forms will be  
2 different from the --

3 MR. SMITH: Right.

4 MR. SCHREMP: -- interim forms --

5 MS. KATELEY: Right.

6 MR. SCHREMP: -- in terms of the number  
7 of fields. For example, I believe that there is a  
8 high and low price field or reporting requirement  
9 for the new --

10 MS. KATELEY: There's also slightly --

11 MR. SCHREMP: -- 900.

12 MS. KATELEY: -- different definition of  
13 who's required to report.

14 MR. NYBERG: An expanded geography area  
15 is required --

16 MR. SMITH: Oh, yeah.

17 MR. NYBERG: -- right now. Currently  
18 he's doing five. And I think that number bumps up  
19 to how many, Gordon?

20 MS. KATELEY: Six, there's nine, I  
21 think.

22 MR. SMITH: Jeez, -- Gordon. Man, WSPA  
23 had a bunch of comments on this one.

24 MR. SCHREMP: And we did try to make  
25 sure that the geographic boundaries of each of the

1 regions were delineated by counties and not create  
2 some new region that is portions of counties,  
3 which we hoped would make it easier for the  
4 companies to put the sale into the correct region.

5 MR. SMITH: So we went from, well, let's  
6 see here -- I guess WSPA wants you to get rid of  
7 the weekly report.

8 MS. KATELEY: Pretty unlikely at this  
9 point, given the importance of that information  
10 relative to the refinery closures, outages,  
11 changes and prices.

12 MR. SMITH: Yeah, I would have thought  
13 that we might have had a better chance of asking  
14 for eliminating the monthly report. About as much  
15 success as the other one, but, anyway.

16 This is particularly bothersome. If all  
17 you're asking is for prices?

18 MS. KATELEY: And volumes.

19 MR. SMITH: And volumes? Jeez, --

20 MR. McKEEMAN: Why can't you just do 26  
21 weekly reports? I mean 52 weekly reports.

22 MR. SMITH: Well, I think that would be  
23 my druthers, is just do 52 weekly reports and be  
24 done with it.

25 MS. KATELEY: We're going to --

1 MR. NYBERG: Yeah, we'll take that under  
2 advisement, along with, I mean I'll take your  
3 arguments that you made with respect to the  
4 additional form that we discussed --

5 MS. KATELEY: Before you arrived, Jay,  
6 David made the same comment about why get the  
7 duplicate data. For us it's a database matching  
8 issue.

9 MR. McKEEMAN: I understand on EIA and  
10 volume stuff, but I think you're more after price  
11 here.

12 MS. KATELEY: Right.

13 MR. McKEEMAN: And if you've just got  
14 data points and you keep collecting weekly data  
15 points, it's a graphing issue, not necessarily a  
16 volumetric issue.

17 MS. KATELEY: We're going to take that  
18 under advisement and come back on this one.

19 MR. SMITH: -- go and beat up on Gordon  
20 a little bit.

21 (Laughter.)

22 MR. SCHREMP: And I think --

23 MS. KATELEY: Did we publish that  
24 definition?

25 MR. SCHREMP: -- one of the points

1       happened to do, I think you raised this earlier,  
2       Dave, when you talked about some of the  
3       information takes a little longer to collect, and  
4       there's --

5               MR. SMITH:   That's right.

6               MR. SCHREMP:  -- some reconciliation  
7       that does occur.

8               MR. SMITH:   Um-hum.

9               MR. SCHREMP:  It's our understanding  
10      from talking to the individual companies in the  
11      development of our interim dealer tank wagon  
12      reporting form, that on a weekly basis they'll try  
13      to get their best weighted average price to us.  
14      But some more accurately weighted average price in  
15      a particular region is easier to reconcile on the  
16      monthly reporting basis.

17              So, I mean I understand what's being  
18      stated, you know, you have this data series.  But  
19      this will come down to a situation of possibly a  
20      higher degree of accuracy.  But we'll certainly  
21      take this, you know, into consideration about, you  
22      know, how much of a difference and how much of an  
23      increase in accuracy are we going to expect to get  
24      here.

25              MS. KATELEY:  That really was one of the



1 issues that WSPA had brought up was, you know,  
2 give us the monthly report to give us the  
3 refinements and retuning and reconciliation.

4 MR. SMITH: Yeah, I know, that's their  
5 comments.

6 MR. NYBERG: Yeah, but the monthly  
7 report does, as Jay suggests, just simply average  
8 out all those things that we're interested in.  
9 Our Governor updates, for instance, gasoline  
10 pricing issues, a weekly time series is highly  
11 valuable. A monthly time series not so much so.

12 Again, I see some leeway; we're going to  
13 go back, discuss this issue, and, you know, for  
14 those companies where there is a real reporting  
15 issue on a weekly, there might be some way that we  
16 can work that out that they're still reporting  
17 weekly with a bit of a lag or something on the  
18 physical reporting to us.

19 MS. KATELEY: We'll figure it out --

20 MR. NYBERG: Yeah.

21 MS. KATELEY: -- and get back on that  
22 one.

23 MR. SMITH: Yeah, then you're asking for  
24 low price/high price.

25 MS. KATELEY: Right.

1           MR. SMITH: Capturing that under-  
2           weighted average. What does the having low price  
3           and high price do for you?

4           MR. SCHREMP: You're looking at a  
5           measure or degree of variation within a particular  
6           separation of California. Obviously an average  
7           price only gives you that average. And the prices  
8           could be tightly grouped together, or there could  
9           be a very large disparity between the lowest and  
10          the highest price offer for dealer tank wagon in a  
11          particular region.

12          And once again the individual company  
13          information would and could not be disclosed, but  
14          we would be aggregating. So, for example, one  
15          company will have the highest price obviously in a  
16          particular region, and some other company will  
17          have the lowest price. It's probably unlikely  
18          that the same company will have both the low and  
19          high for that particular region.

20          MR. NYBERG: It would enable us to  
21          better describe a more accurate picture of what's  
22          going on within those geographic areas defined by  
23          the counties. So that perhaps a little less  
24          disgruntlement, if you will, on the part of the  
25          public or the retailing public, for that matter,

1       when they say, well, CEC published the average,  
2       but that doesn't reflect my price. We'll be  
3       better able to say, and the extreme highs and lows  
4       within there are here.

5               MR. SMITH: How many regions did we have  
6       before? We had five and now we've got --

7               MR. NYBERG: Five. What happens is San  
8       Diego falls into the Imperial Valley -- the  
9       Imperial area, and the central coast gets a bit  
10      lost, I believe. It's problematic with only five.

11              MR. SMITH: Which ones did we add?

12              MR. NYBERG: We have now --

13              MR. SMITH: We added the central coast.

14              MR. NYBERG: Right, so now you see we've  
15      delineated the desert region. Mountain was  
16      combined with north coast before. And the  
17      Sacramento Valley is now separated from the San  
18      Joaquin Valley.

19              So those are some pretty important  
20      distinctions when it comes to prices. You know, I  
21      don't think it's fair necessarily to, for  
22      instance, lump Fresno in with Chico in a  
23      comparison of gas prices, for instance.

24              MR. SMITH: So we added the  
25      differentiation between Sacramento Valley and the

1 San Joaquin Valley.

2 MR. NYBERG: Um-hum.

3 MR. SMITH: The mountain and the north  
4 coast.

5 MR. SCHREMP: Right. The north coast  
6 essentially goes -- I believe there's some central  
7 California counties that are on the coast, and  
8 then, you know, Marin northward all the way up to  
9 Crescent City, as Jay mentioned earlier. And then  
10 the mountain would actually be sort of the  
11 northern, and then come back down the eastern  
12 spine of California.

13 So that's almost like a big horseshoe,  
14 if you will, when combined. But then breaking it  
15 out as Michael is discussing, and with greater  
16 specificity, separates those two regions.

17 MR. NYBERG: And, again, San Diego and  
18 the desert region are separated now.

19 MR. SMITH: These are all spelled out in  
20 the definitions as to what counties are captured  
21 here?

22 MS. KATELEY: Yes.

23 MR. NYBERG: Yeah.

24 MR. SMITH: So the current form has  
25 five; now we're going to nine.

1 MR. NYBERG: The interim form --

2 MR. SMITH: Interim form has five.

3 MR. NYBERG: -- that is being  
4 voluntarily --

5 MR. SMITH: You know, we probably set up  
6 our programming to cover those five. I'm pretty  
7 sure this will, you know, require us to go back  
8 and reprogram that stuff again. This is not happy  
9 news.

10 MR. SMITH: Okay, let's see what else  
11 WSPA put down here. WSPA questions the need for  
12 the volume on this report, especially if the  
13 companies are doing this for the new 782B volume  
14 report. The reports are limited to refiners;  
15 however re-sellers also have dealer tank wagon  
16 prices. Should the report be expanded to include  
17 re-sellers?

18 MR. SCHREMP: A lot of subjects in one  
19 question. First of all, with regard to volume,  
20 the volume allows us to accurately average the  
21 prices into one aggregated number from all the  
22 reporting companies.

23 You could imagine if one company happens  
24 to have a small dealer tank wagon presence in one  
25 of these regions, and another company a very large

1 presence. We would like to more accurately volume  
2 weight that aggregated number for that particular  
3 region.

4 MR. SMITH: So the 782 doesn't break it  
5 out by regions?

6 MR. SCHREMP: That's correct. It is a  
7 statewide number reported by each company.

8 MR. SMITH: Okay.

9 MR. SCHREMP: And with regard to  
10 resellers, the whole intent of the dealer tank  
11 wagon reporting form is to more accurately  
12 represent or draw a line between, say, the  
13 refiners' selling price, if you will, and what the  
14 retailers are buying.

15 Right now what we use -- and that helps  
16 us develop what we call the parent refiner  
17 margin -- and we have been using as a surrogate at  
18 this time are rack prices. We do understand the  
19 majority of the wholesale transactions in  
20 California are a dealer tank wagon transaction.

21 And since we are trying to portray what  
22 the parent refiner margin is, we are not  
23 interested in resellers' dealer tank wagon prices,  
24 we are interested in the dealer tank wagon prices  
25 offered by the refiners to better reflect where

1       that apparent refiner margin should be for  
2       gasoline.

3               MR. SMITH: I mean that's fine, but I  
4       mean how much is the gasoline going to resellers?  
5       We have separate dealer tank wagon prices. So to  
6       the extent you have high price, low price,  
7       weighted average prices and you report that  
8       information, this is only being reported by who?  
9       Refiners?

10              MR. SCHREMP: Yes. The intent is to  
11       only capture the sales and the volumes and the  
12       high/low, and the number of sites for the  
13       refiners. Recognizing that there are other  
14       wholesalers that do post -- have delivered dealer  
15       tank wagon prices to other locations.

16              MR. SMITH: Which is then directly tied  
17       to the street price.

18              MR. SCHREMP: Correct.

19              MR. SMITH: So it seems like -- so how  
20       do you capture that information?

21              MR. SCHREMP: Well, if you're asking how  
22       we capture the retail prices, we do capture the  
23       retail prices from the Energy Information  
24       Administration. And they do have, it's my  
25       understanding, Michael, and you can jump in here,

1       that they have a regional breakdown in California  
2       of the retail prices -- excuse me, I'm sorry.

3               I believe another reporting entity --

4               MR. NYBERG:   Yeah.

5               MR. SCHREMP:   -- has a regional  
6       breakdown within California.

7               MR. NYBERG:   Twenty-six regions.

8               MR. SMITH:   Who's that?

9               MR. NYBERG:   That's through OPIS.

10              MR. SMITH:   Who?

11              MR. NYBERG:   OPIS, Oil Price Information  
12      Service.  And we purchase that information.  But,  
13      again, that captures retail only.  With some --

14              MR. SMITH:   Is that company-specific?

15              MR. SCHREMP:   Yes.

16              MR. SMITH:   It is?

17              MR. SCHREMP:   It's by brand --

18              MR. SMITH:   By brand.

19              MR. SCHREMP:   -- brand-specific  
20      including unbranded, as labeled such, unbranded.  
21      But again, that's retail.

22              MR. SMITH:   Okay.  The companies have a  
23      minimum number of sites in order to require  
24      reporting for any region.

25              MR. SCHREMP:   I believe there was a



1 minimum site in the --

2 MS. KATELEY: In the old one, in the  
3 interim one.

4 MR. NYBERG: There was a minimum volume,  
5 I believe, in the interim.

6 MR. SCHREMP: And we have, there's, I  
7 think, a lower threshold in the final forms. I  
8 believe --

9 MS. KATELEY: It's not by number of  
10 stations; it's by volume.

11 MR. NYBERG: It's 840,000 gallons in the  
12 previous year sold by refiners.

13 MR. SMITH: 840 gallons?

14 MR. NYBERG: 840,000 gallons.

15 MR. SMITH: Oh, okay.

16 MR. NYBERG: So refiners that sold in  
17 excess of that, of gasoline in the previous  
18 calendar year, must file.

19 MR. SCHREMP: To that subregion of  
20 California.

21 MR. SMITH: Okay. Is that correct,  
22 Michael?

23 MS. KATELEY: We haven't specified that.  
24 We should add that, is that what you meant?

25 MR. SCHREMP: Or did you -- that's

1 specifically for a site.

2 MR. NYBERG: Refiner, as a whole.

3 MS. KATELEY: It says 840,000 gallons.

4 MR. NYBERG: 840,000 gallons as it's  
5 currently written. There's no --

6 MS. KATELEY: There's no description  
7 that goes beyond that.

8 MR. NYBERG: Right.

9 MS. KATELEY: So if you want that, you  
10 should let us know.

11 MR. SCHREMP: I mean, so, Dave, I guess  
12 to be clear, you're asking us if I deliver below  
13 some minimum volume to a particular subregion, I  
14 wouldn't be required to report, or I have less  
15 than x number of sites in a particular subregion,  
16 I wouldn't be required to report. Or  
17 clarification in either area would be adequate.

18 MR. SMITH: Yeah, I think so.

19 (Pause.)

20 MR. SMITH: Okay. This says the  
21 weighted average price includes fixed taxes in the  
22 interim reports to the companies include fixed  
23 taxes for the permanent report.

24 MS. KATELEY: Gordon.

25 MR. SMITH: Some of these things need

1 clarification in the instructions.

2 MS. KATELEY: Right.

3 MR. SMITH: You guys --

4 MS. KATELEY: We'll fix that.

5 MR. SMITH: -- can read through these  
6 and take care of those.

7 MS. KATELEY: Yeah.

8 MR. NYBERG: Some of that discussion on  
9 taxes, it escapes me right now, but again, we  
10 developed these forms, the interim forms  
11 especially, and these, directly with WPSA and  
12 specific companies involved. And I forget right  
13 now what the -- we were trying to make the form as  
14 easy as possible for the companies to report. So  
15 as long as we had consensus that tax is to be  
16 included or to be excluded, I forget right now  
17 where the push was that it's too hard to include t  
18 hem or too hard to extract them for purposes of  
19 our reporting. And we were trying to pick one --

20 MR. SMITH: Whatever?

21 MR. NYBERG: Yeah, pick one and stay  
22 with it. And as long as they're consistent, that  
23 was how we were going.

24 MR. SMITH: Okay. I guess the question  
25 there may have been that wasn't clear in the form.

1 MR. NYBERG: Right, and --

2 MR. SMITH: -- the instructions.

3 MR. NYBERG: -- so we need to clarify  
4 that.

5 MR. SMITH: Well, I could use a break  
6 here for a second.

7 MS. KATELEY: Want to take a ten-minute  
8 break?

9 MR. SMITH: Yeah.

10 MS. KATELEY: Okay.

11 (Brief recess.)

12 MR. McKEEMAN: Before we leave the DTW  
13 form, because this could have a broad application  
14 and the form may get transmitted without the  
15 instructions, I would recommend that the fact that  
16 it's only required by refiners and sold in an  
17 excess of 840,000 gallons, be put on the form,  
18 itself.

19 MS. KATELEY: I could retitle it like  
20 refiner DTW report, something like that.

21 MR. McKEEMAN: Okay. That would be  
22 good.

23 MR. SMITH: I'm going to have to think  
24 about -- I'm going to have to, somebody's going to  
25 have to think about the idea that refiners are the

1       only ones reporting this information. And that  
2       reseller aren't.

3               MR. SCHREMP: Well, Dave, let me just  
4       say this. That there was a heated discussion on  
5       the legislation that authorized this particular  
6       aspect of reporting.

7               MR. SMITH: Um-hum.

8               MR. SCHREMP: And CIOMA went neutral on  
9       the legislation because there were assurances by  
10      the Energy Commission that it would not apply to  
11      us. So there is more than just a reporting aspect  
12      to this involved. There is a legislative  
13      commitment that was made to us.

14              MR. SMITH: Did we make any commitment?

15              MS. KATELEY: As far as I know no one in  
16      this room.

17              MR. SCHREMP: I thought you guys  
18      committed to providing us all the information we  
19      thought we needed, I mean --

20              MR. SMITH: I think we did.

21              MR. SCHREMP: Yeah. Okay.

22              MR. SMITH: Got me drunk one night.

23              (Laughter.)

24              MR. SMITH: Well, Jay, I appreciate that  
25      background because I didn't realize that.

1       Notwithstanding I still think there's some issues  
2       here. And maybe it's not important. I think I'll  
3       have to talk to our marketing people about how  
4       they see this, and how they perceive -- what  
5       influences a market, and what, by getting pieces  
6       of the information, but not all the information,  
7       could mislead somebody in saying, oh, well. You  
8       know, getting a certain part of the data, but not  
9       all the data. And then conclude something about  
10      what's happening in the marketplace.

11               And, you know, we'll just have to go  
12      from there.

13               MR. McKEEMAN: I respect what you have  
14      to say, Dave. The point is that for our members  
15      there are posted prices at each place along the  
16      purchase trail. And for refiners that supply  
17      directly to service stations there is no posting  
18      increment there.

19               So I'm just suggesting that there is a  
20      way to get at the information. The people that we  
21      supply, there, you know, data points along that  
22      line, for you guys there isn't.

23               MR. SMITH: Do you post your dealer tank  
24      wagon prices?

25               MR. McKEEMAN: Posting in -- we don't,

1 first of all, we don't do dealer tank. We may do  
2 a laid-in price, and that was part of our argument  
3 in the definition in the legislation that ETW is  
4 actually a refiner pricing mechanism.

5 There is a -- our members do something  
6 that's similar, but it's called a laid-in price.  
7 And that is something that -- I mean that's open  
8 for debate, but it's a fairly small percentage. I  
9 mean I would hazard a guess it's maybe 2 percent,  
10 if that much, of the gasoline that's sold in  
11 California. So it's not going to have a large  
12 influence on anything.

13 MR. SMITH: Okay. The next form that I  
14 have listed is 782B.

15 MS. KATELEY: Um-hum.

16 MR. SMITH: Are all these forms going to  
17 be electronically reportable?

18 MS. KATELEY: Yes, sir. In fact, we  
19 would like all the companies to file them  
20 electronically.

21 MR. SMITH: And currently they're not,  
22 right? We can't -- the interim forms are? Are  
23 we --

24 MS. KATELEY: No, almost everyone is  
25 filing electronically now.

1 MR. SMITH: Okay.

2 MS. KATELEY: Very few are -- yeah,  
3 federal and state.

4 MR. SMITH: Okay.

5 MR. NYBERG: Before this process our fax  
6 machine was like this every week, and others maybe  
7 one.

8 MR. SMITH: Really?

9 MR. NYBERG: Yeah.

10 MS. KATELEY: Yeah.

11 MR. SMITH: Okay, good.

12 MS. KATELEY: In fact, the only issue we  
13 really have with the forms now is that some  
14 companies have reformed -- have done it themselves  
15 on their own Excel file they've created. And they  
16 transmit that.

17 And where that will ultimately cause a  
18 problem is that we're using -- we're just testing  
19 now an electronic data transfer system from the  
20 Excel form to the database. And if they change  
21 the form, the data won't be in the corresponding  
22 cell that the program will pick up.

23 So, it causes a little issue for us if  
24 they don't use the form that we provide.

25 MR. SMITH: What does that mean for a



1 company like mine, or any company who's trying to  
2 figure out how to comply with these things?

3 Should we be talking with you guys? I mean, as we  
4 go from the interim forms to all these, you know,  
5 final forms.

6 MS. KATELEY: When it comes to actually  
7 sitting down and figuring out how the best way is  
8 to finish file these forms, I would encourage them  
9 to talk to Michael directly and work out these  
10 details.

11 MR. NYBERG: Yeah, I mean right now, as  
12 I was saying at the break, some forms like, for  
13 instance as it stands now, the W900 not a big  
14 process to get these numbers into access the  
15 database.

16 So if you're including your report in  
17 the body of the email and others are actually  
18 using this form, itself, it's fine. It's going to  
19 work because the number of items is relatively  
20 small.

21 But on some of the forms, especially the  
22 federal forms that we have, and some of our more  
23 inclusive CEC forms, using the exact specified  
24 Excel file would greatly facilitate and help our  
25 ability to process the data.

1           But, again, we're willing to work with  
2       each one. Lois has mentioned that perhaps on the  
3       700, for instance, again a highly manual intensive  
4       form, if you will, on the CEC perspective, may not  
5       even lend itself to automatic transfer into a  
6       database.

7           And having said that, she mentioned that  
8       there's a large already preexisting electronic  
9       file in Excel that may contain or at least as much  
10      data as we need in a slightly different format.  
11      We're obviously amenable to receiving that,  
12      meaning less work for you, and same work on our  
13      end.

14           So, again, each form and each company is  
15      a little bit different. We'll work with each one  
16      of you.

17           MR. SMITH: Okay, good. I know that,  
18      well, as you say, we've apparently done the  
19      programming to prepare the electronic submissions  
20      to you. I know for like the 900 form.

21           MS. KATELEY: Actually I thought they  
22      just put it in the body of the text.

23           MR. NYBERG: That's right.

24           MS. KATELEY: And again, that's just --

25           MR. NYBERG: You're sending --

1 MS. KATELEY: -- it sending us an email.

2 MR. NYBERG: Yeah. And it's not, I  
3 don't know how he's collecting the data, but in  
4 terms of transfer --

5 MR. SMITH: Well, I think they're  
6 running an inquiry against a very large database.

7 MS. KATELEY: I see.

8 MR. SMITH: And so then that, I guess,  
9 is put into a --

10 MR. NYBERG: It's just actually --

11 MS. KATELEY: Just put in an email,  
12 that's right.

13 MR. NYBERG: Yeah, it's just put into an  
14 email and I don't have any particular issue on the  
15 interim form in this specific example that it's  
16 not on the form. That's fine. It's all of ten  
17 numbers.

18 MR. SMITH: Okay.

19 MR. NYBERG: It's not an issue.

20 MS. KATELEY: Michael's nicer than I am.

21 MR. SMITH: Okay. We also include -- I  
22 remember way back when, we were talking about  
23 having some -- is there something on each of the  
24 form that says this data is confidential, or --

25 MS. KATELEY: Yes, it says the signature

1 block approved by our counsel.

2 MR. SMITH: Okay.

3 MS. KATELEY: Standard signature block.

4 And when they send us the email that counts as a  
5 signature.

6 MR. SMITH: Okay, 782B. Is there a 782?

7 MS. KATELEY: There's a 782 that comes  
8 from EIA. And the 782B is our knock-off.

9 MR. NYBERG: A and a B, right?

10 MS. KATELEY: Yes.

11 MR. NYBERG: A is --

12 MR. SMITH: This form here was pretty  
13 helpful.

14 MS. KATELEY: Thank you.

15 MR. SMITH: In the sense that currently  
16 we have a 782A and we're currently having an  
17 interim form of 900, and now we'll eventually go  
18 to the M782, monthly product sales report. Okay.  
19 WSPA's concerned that this is far too detailed for  
20 your needs. You don't need this.

21 (Laughter.)

22 MR. SCHREMP: Well, this detailed  
23 breakdown by end-use category and petroleum  
24 products is already a requirement and has been by  
25 EIA. Now when Michael says our knockoff, in

1 greater specificity this form is intended to  
2 collect the different types of gasoline sold in  
3 California.

4 MR. SMITH: Right.

5 MR. SCHREMP: Whereas on, for example,  
6 the EIA's version of this it will just say RFG.

7 MR. SMITH: Okay.

8 MR. SCHREMP: And maybe oxygenated RFG,  
9 non-oxygenated. And so we're trying to break out  
10 both the different California gasolines and the  
11 different California diesel, per se, on these  
12 forms. So basically all of the end-use categories  
13 are similar to what you can see on the federal  
14 version.

15 And I believe the difference here would  
16 be the unbranded and branded rack breakout. Is  
17 that correct, Michael? From the federal --  
18 there's a slight, I think they were made in rack  
19 sales and per some of the legislation that Jay was  
20 referring to, we were required to begin collecting  
21 unbranded prices on a monthly basis. So that's  
22 why you see both the branded and unbranded rack  
23 here that you may not see on the federal version.

24 MR. SMITH: But it's similar --

25 MR. SCHREMP: Yes, that's correct.

1 MR. SMITH: Okay. What was the  
2 legislation that Jay and you keep referring to?  
3 What was the bill?

4 MS. KATELEY: AB-1340.

5 MR. SMITH: 1340?

6 MS. KATELEY: Right, Kehoe; statute took  
7 effect January 1.

8 MR. SMITH: Okay.

9 MS. KATELEY: The chapter number is  
10 cited in the workshop notice.

11 MR. SMITH: Okay.

12 MR. NYBERG: Now, was the bill -- was  
13 that the one we were having difficulties, if you  
14 read on the website they had to do with forest  
15 fires. And they found that they gutted the bill.

16 MS. KATELEY: No, that was a different  
17 one.

18 MR. NYBERG: That was a different one?  
19 Okay.

20 MS. KATELEY: Never mind that little  
21 segue.

22 (Laughter.)

23 MR. NYBERG: Sometimes they'll do that,  
24 they'll gut a bill and then they'll replace it  
25 with something else. And we go to leg info

1 online, it still says the old title.

2 MR. SCHREMP: We could develop a new  
3 form that does capture fuel that is dispensed for  
4 emergency purposes only.

5 MS. KATELEY: Don't give Gordon these  
6 ideas.

7 MR. NYBERG: It's called a fuel set  
8 aside program.

9 MR. SMITH: Let's have that as the  
10 emergency form that we only use when there is an  
11 emergency.

12 (Laughter.)

13 MR. NYBERG: Jay could better discuss  
14 the fuel set aside program, I think.

15 MS. KATELEY: Oh, please.

16 MR. McKEEMAN: If I knew how it worked  
17 I'd be glad to discuss it.

18 MR. SMITH: When do these monthly  
19 reports -- WSPA is saying that it will be  
20 difficult to get these done in a timely fashion.

21 MR. SCHREMP: Is it difficult for them  
22 to get the EIA 782 forms done now?

23 MR. SMITH: Probably be impossible.

24 MR. SCHREMP: Okay. But, it's --

25 MR. SMITH: When does EIA require it to

1 be submitted?

2 MR. SCHREMP: I believe EIA and the  
3 Energy Commission both allow a 30-day grace period  
4 after the close of the reporting month. For  
5 example, you know, your May report will be due  
6 beginning the end of June to both the federal  
7 government and to the Energy Commission.

8 MR. SMITH: Oh, okay.

9 MR. SCHREMP: So you have 30 days after  
10 the close of the reporting period to rectify the  
11 data, complete the information and pass it along  
12 to the reporting --

13 MR. SMITH: No wonder the WSPA people  
14 didn't show up here. They got crappy comments.

15 (Laughter.)

16 MR. SMITH: So you're saying we got 30  
17 days to put this together?

18 MS. KATELEY: Um-hum.

19 MR. SMITH: Man, oh, man.

20 MR. SCHREMP: Which is the same for all  
21 of the monthly reports.

22 MR. SMITH: Okay.

23 MR. SCHREMP: And which is, I mean part  
24 of the -- Sue and Michael, and I think even your  
25 comments, Dave, about how the ability to rectify



1 the data for reporting on a monthly basis is much  
2 easier. And certainly it is because of the  
3 additional time allowed to complete the forms --

4 MR. SMITH: Okay.

5 MR. SCHREMP: -- versus the weekly form,  
6 which is only a matter of days before that  
7 information must be submitted.

8 MR. SMITH: And the prices, I assume,  
9 are questions volume weighted?

10 MS. KATELEY: I think they were -- oh,  
11 wait --

12 MR. SMITH: The 72 --

13 MS. KATELEY: You're on 72, yeah, I'm  
14 sorry.

15 MR. SMITH: So I guess somebody didn't  
16 think it was explained, or -- well, I guess the  
17 previous form had actually called for weighted  
18 average price.

19 MR. NYBERG: Yeah, I'm under the  
20 assumption that the price would be reflective of  
21 what the corresponding volume represents.

22 MR. SMITH: Volume weighted.

23 MR. NYBERG: Yeah.

24 MS. KATELEY: We'll make sure the  
25 instructions tune that up.

1           MR. SMITH: Okay. And the question is  
2           what do you mean by the report date in the  
3           instructions. This is the reporting period or the  
4           date that the report is submitted?

5           MR. SCHREMP: I didn't understand that  
6           question. When looking at the versions in the  
7           package you'll see a reporting month and a  
8           reporting year box to be filled out for this  
9           particular form.

10          MR. NYBERG: If there was a reporting  
11          date, it's probably a hold-over from an earlier  
12          iteration of the development of the form.

13          MR. SMITH: Okay.

14          MR. NYBERG: We will obviously go  
15          through each and every form again to make sure  
16          that if it's a monthly form it just has month and  
17          year and the date is at your signature block.

18          On the weekly forms, of course, the  
19          reporting date is a little different, so --

20          MR. SMITH: Right.

21          MR. NYBERG: -- that's probably what  
22          happened there.

23          MR. SMITH: Okay.

24          MS. KATELEY: We'll fix it.

25          MR. SMITH: Okay. That was it for 782.

1 M810, refinery monthly.

2 MS. KATELEY: That's a Gordon one,  
3 because I don't even use that phrase.

4 (Parties speaking simultaneously.)

5 MS. KATELEY: It's in the instructions,  
6 Gordon, under the --

7 MR. SMITH: What is meant by in transit  
8 thereto, for receipt in the instructions?

9 MS. KATELEY: If you look at the  
10 instructions -- don't laugh, Jay --

11 MR. SCHREMP: I have to refer that  
12 question to my legal counsel.

13 (Laughter.)

14 MR. GLAVIANO: Well, I'll take a look at  
15 the form, but the last time I heard something like  
16 that was in a Shakespearean play.

17 MS. KATELEY: It's right here, in  
18 transit thereto.

19 MR. SCHREMP: Yeah, thereto the  
20 refinery.

21 (Laughter.)

22 MS. KATELEY: If it's a receipt and it's  
23 in transit, how far away is --

24 MR. SMITH: Well, you got to keep your  
25 sense of humor.

1 MR. NYBERG: But if it's not, I think --  
2 this is -- I think it was meant, please don't look  
3 at the volumes with the blinders on. And while  
4 it's not at the refinery and it hasn't show up at  
5 the terminal yet, therefore we missed something.  
6 And I think that's probably what the meaning was  
7 here.

8 MR. SMITH: Yeah, we have lots of trucks  
9 running around and trying to --

10 MR. NYBERG: Full of fuel.

11 MR. SMITH: Fuel and product, right.  
12 Trying to keep the --

13 MR. GLAVIANO: I think you can just take  
14 it out.

15 MR. NYBERG: Yeah.

16 MR. GLAVIANO: In transit, is that in-  
17 state transit, or intra --

18 MS. KATELEY: It's space transit. We're  
19 taking it out. Honestly, we'll fix that.

20 MR. SMITH: Okay, monthly report.

21 MS. KATELEY: This is the tank report;  
22 this is Michael's report. Yeah, it's your report.

23 MR. SMITH: Is this one of these other  
24 monthly/weekly? Is the refinery submitting  
25 inventories to you weekly, aren't we?

1 MR. NYBERG: That's this -- the 800 and  
2 the 810 --

3 MS. KATELEY: Which are the copies of  
4 the federal forms, are submitted to us weekly.

5 MR. NYBERG: The weekly, for instance on  
6 the federal form the weekly captures CARBOB  
7 production. That's on the federal form.

8 On the federal monthly form that same  
9 CARBOB production would be included under blend  
10 stocks. But having said that, the monthly form  
11 contains many more products, and also, for  
12 instance, boilerplate capacity, crude oil  
13 processing capacity of the refiner. That's on the  
14 monthly form for EIA.

15 The weekly is a smaller subset, answers  
16 more specific questions. Different ones than the  
17 monthly. And the same, so with our CEC 800 and  
18 the 810, those are following the formats of the  
19 federal forms, but as Gordon suggested, it doesn't  
20 do us much good if refiners just report EPA diesel  
21 production, that it meets that. We need to  
22 understand CARB diesel.

23 MR. SMITH: Yeah.

24 MR. NYBERG: So that's all that these  
25 two forms are doing. For whatever questions

1       aren't answered for California specific,  
2       federally, we just ask for it on our own version  
3       of the expanded form.

4               MR. SMITH:   Okay.

5               MS. KATELEY:  Tank report.

6               MR. SMITH:  Kind of let me just step  
7       aside for a minute.  When you get the EI -- we  
8       send you all copies of our EIA?

9               MR. NYBERG:  Yes, --

10              MS. KATELEY:  Not all of them.

11              MR. SMITH:  Not all of them?

12              MS. KATELEY:  No, we --

13              MR. NYBERG:  Oh?

14              MS. KATELEY:  Well, there's a lot of EIA  
15       forms.  And I don't know which ones BP is filing.  
16       But I know I get the 800, the 810 and the 782A.

17              MR. NYBERG:  Right, right.

18              MR. SMITH:  Oh, so those are the only  
19       EIA reports you get from us in this area?

20              MS. KATELEY:  Right.  That list --

21              MR. SMITH:  Really?

22              MS. KATELEY:  -- you see on that chart,  
23       yeah.  If you file other reports, we don't get  
24       them.

25              MR. SMITH:  Okay.  Then is there --

1       could other states request to get these same  
2       forms, EIA forms, do you know? Or is this  
3       something special to California?

4               MR. SCHREMP: I believe that in our  
5       original PIIRA regulations and in the reporting  
6       forms and instructions section of the regulations  
7       we do specify --

8               MS. KATELEY: That's true, Gordon. We  
9       do specify --

10              MR. SCHREMP: -- federal forms --

11              MS. KATELEY: -- regs. We get --

12              MR. SCHREMP: Right.

13              MS. KATELEY: -- those particular  
14       federal forms. But Dave's question was do other  
15       states get those federal forms, and I don't know  
16       that answer.

17              MR. SCHREMP: Yeah, I don't know if  
18       other states --

19              MS. KATELEY: Arizona might be getting  
20       them.

21              MR. SCHREMP: -- like Washington or New  
22       York State would, say, you know, we passed a  
23       regulation or a law that says you have to supply  
24       the data, and if you can supply the data we need  
25       through another form that you're currently filling

1 out, so be it.

2 In the past that had been sufficient for  
3 the Energy Commission's information needs to  
4 receive a copy of what's already been filled out  
5 and faxed to the EIA. Which, you know, took some  
6 of the burden away; why have a form that's an  
7 exact duplicate with our name on it.

8 And so that was fine for a period of  
9 time. But then when the fuels started to change  
10 in California with the reformulation of diesel and  
11 gasolines, and then also other fuels that could  
12 fall under the same categories. Michael mentioned  
13 under EPA low sulfur diesel, that's fine for both  
14 CARB and EPA, but that doesn't give us the  
15 appropriate information we need to know here.  
16 Which is why the companies, for a period of time,  
17 they were breaking that California-specific fuel  
18 out.

19 MS. KATELEY: Or, no, we don't know if  
20 other states are getting copies of these forms.

21 MR. SMITH: Well, I can tell you that I  
22 know some states aren't.

23 MS. KATELEY: Right.

24 MR. SMITH: Which is -- and then so they  
25 don't get these forms, any of these EIA forms as



1 far as I know, and so they're trying to recreate  
2 the wheel.

3 MS. KATELEY: Right.

4 MR. SMITH: Creating some real problems.

5 MR. NYBERG: Historically for us it's  
6 just evolved that if the federal forms met our  
7 California statute requirement to collect  
8 information, we were accepting of that.

9 So, obviously in Washington, for  
10 instance, if they -- you would have to look at  
11 that for BPs present in Washington and see if you  
12 could do that same thing.

13 MR. SMITH: Okay.

14 MR. GLAVIANO: Those come from the  
15 company.

16 MS. KATELEY: Tank report.

17 MR. SMITH: Yeah, they don't come from  
18 the EIA.

19 MR. NYBERG: No.

20 MR. SCHREMP: Oh, yeah, right.

21 MR. NYBERG: We've tried.

22 MR. SMITH: EIA won't give them to you.

23 MR. NYBERG: No.

24 MS. KATELEY: No.

25 MR. SMITH: Good for them.

1 MR. GLAVIANO: It has to be released  
2 directly from --

3 MS. KATELEY: Yeah. Tank reports.

4 MR. NYBERG: That's fine.

5 MR. SMITH: Tank report. Major  
6 petroleum stored annual tank reports.

7 MS. KATELEY: Once-a-year form.

8 MR. SMITH: Right. And so once a year  
9 we'll have to submit this report.

10 MS. KATELEY: Right.

11 MR. SMITH: Okay. And maybe Jay or  
12 somebody will -- what about drained dry tanks?  
13 Are drained dry tanks used for multiple products?

14 MR. NYBERG: Yeah.

15 MR. SMITH: So is that somehow or other  
16 captured in here?

17 MR. NYBERG: Well, that's the point, is  
18 obviously it's the best picture as of the date  
19 that the forms are filled out. But, as we found  
20 throughout the years when we find that diesel is  
21 more productive than gasoline, depending on your  
22 tank sizes, these drained dry tanks are able to be  
23 switched.

24 So, we're trying our best to take a  
25 snapshot as of the annual report, understanding

1       that drained dry tanks might be switched at a  
2       later date. But it's the best picture we have of  
3       total volume.

4               MR. SMITH: Is there a need to  
5       differentiate? I mean it would seem from your  
6       perspective maybe you'd like to know that certain  
7       things are drained dry.

8               MR. SCHREMP: That's absolutely correct,  
9       Dave. We are interested in that degree of  
10      flexibility that may exist out in the industry.  
11      And that would be captured in the column of  
12      information that requests the tank heel. And so  
13      for a drained dry tank what would be entered there  
14      would be zero. And I believe we have that in our  
15      instruction section.

16              MR. SMITH: Oh, okay. And the  
17      instructions deal with that?

18              MS. KATELEY: They sure do, right now.

19              MR. SMITH: Oh, great.

20              MS. KATELEY: Oddly enough.

21              MR. SMITH: So the heel would be zero  
22      and that would give you this is a drained dry  
23      tank. Okay, hadn't thought about that.

24              MR. NYBERG: Or a brand new tank that  
25      hasn't been filled.

1 MS. KATELEY: -- the company show the  
2 tanks that are -- adjacent terminal together in  
3 one report, I can't see why not.

4 MS. AMBROSE: Do you have a copy of that  
5 form?

6 MS. KATELEY: They're stacked right in  
7 front of you.

8 MS. AMBROSE: Right here? Okay, thank  
9 you.

10 MS. KATELEY: The annual reports are  
11 grouped at the end.

12 MR. SMITH: Unfortunately I've mixed all  
13 mine together.

14 MS. KATELEY: Adjacent terminal to get  
15 the one report, Gordon, that's okay, right?

16 MR. SCHREMP: You mean -- the tanks are  
17 going to be broken out by individual tank on an  
18 annual basis only.

19 MR. NYBERG: Right.

20 MR. SCHREMP: And so for example I think  
21 in the question, if we understand correctly, you  
22 are operating refinery, you've made some tank  
23 farms that are inside the refinery gate, or inside  
24 the refinery property line. You may have a  
25 terminal right adjacent that could be considered

1 part of the refinery.

2 And that's fine, I mean because what  
3 you'll be doing is identifying the tank, itself,  
4 each individual tank.

5 And that allows us to make sure we're  
6 not double counting some of the -- you know, for  
7 example, the refinery, you know, the refinery  
8 manager or whoever fills out a form for the  
9 refinery, includes that terminal. And then maybe  
10 the marketing group for the company fills out for  
11 each terminal they have in their system, and they  
12 may, again, count that same tank because it  
13 actually is a truck-loading rack.

14 So, we'll be able to look at the tank  
15 identification number and say, ah, same tank  
16 number. You know, we don't want to double count.

17 MR. SMITH: Okay. So, I'm looking under  
18 annual. You have A09 and now we're -- is A09 and  
19 A08 somehow or other related?

20 MR. NYBERG: No. Generally, no, none of  
21 the forms should be related.

22 MR. SMITH: Okay.

23 MR. NYBERG: I think we have an opening  
24 at the 8 spot, so we took it.

25 MR. SMITH: Okay. Actually, -- okay.

1 And then A15. Annual retail fuel outlet survey.  
2 Starting to get a bunch of these. So you're going  
3 to get a thousand forms from us.

4 MS. KATELEY: Just a thousand?

5 MR. NYBERG: Okay, well, that's one-  
6 tenth of what we need to get.

7 MS. KATELEY: Yeah.

8 MR. SMITH: So you're going to get --  
9 yeah, how many service stations are there?

10 MS. KATELEY: About 9,600, give or take  
11 how you count that.

12 MR. SMITH: You're going to get nine- or  
13 ten-thousand forms. And what does this do for  
14 you?

15 MR. SCHREMP: It does a couple of  
16 things. Right now there is no entity that  
17 collects fuel distribution information on a  
18 regional basis. For example, how much gasoline is  
19 sold in Los Angeles or southern California. We  
20 couldn't tell you.

21 There are estimates done by some  
22 different entities based on population, vehicle  
23 miles traveled, things of that nature. But this  
24 will allow us to look at different, I guess,  
25 through-put, if you will, by location of how much

1 gasoline and different fuels are being sold  
2 throughout the state.

3 So we could actually take this  
4 information and aggregate each of the companies'  
5 reports for each of the counties in California.  
6 And then for the first time we will be able to  
7 talk about how much through-put we're seeing in  
8 these various counties. A reflection of demand,  
9 if you will.

10 MR. SMITH: Aren't you getting sales  
11 volume?

12 MR. NYBERG: Only for the whole state.

13 MS. KATELEY: Aggregated.

14 MR. SMITH: You're getting sales volume  
15 by those nine regions, aren't you?

16 MR. SCHREMP: No. Oh, no. I wish I  
17 knew it by region. No.

18 MR. SMITH: You're asking for them,  
19 aren't you?

20 MR. SCHREMP: Yeah, we're asking --

21 MR. NYBERG: Oh, that's on the dealer  
22 tank wagon, but that would be inclusive of  
23 unbranded stations, those cardlocks, those other  
24 types of stations --

25 MR. SMITH: I thought 782B talked about

1 branded, unbranded racks.

2 MR. SCHREMP: Statewide basis, only.

3 Once again we are trying to create, have a form  
4 that allows us to accurately report the amount of  
5 volume being sold by different fuel types by  
6 different locations throughout California on an  
7 annual basis. And what --

8 MS. KATELEY: Once a year we'll get a  
9 report --

10 MR. SMITH: They why don't you just ask  
11 us that. You don't need all that for by each  
12 service station. I mean is that what you want?

13 MR. NYBERG: Well, one of the basic  
14 questions we cannot answer right now is how many  
15 service stations are there in California. That  
16 question --

17 MR. SMITH: We can tell you that.

18 MR. NYBERG: Pardon?

19 MR. SMITH: Ask us that question; we'll  
20 tell you how many service stations we have.

21 MR. NYBERG: Right, your website does a  
22 pretty fine job of coming close to telling us t  
23 hat, too. But to capture everybody it requires  
24 this form. So, again, it may be a data download  
25 from your end to meet the --



1 MR. SMITH: So, two questions. I got  
2 two questions, so far. You want to know number of  
3 stations by what?

4 MS. KATELEY: Well, actually, Dave, take  
5 the form back to your office and give us the data  
6 for all the fueling stations in California and we  
7 don't need this form. If you have that already.

8 MR. SCHREMP: But by location.

9 MS. KATELEY: By location. Tanks,  
10 everything.

11 MR. SMITH: But you don't need it by  
12 location; you said you wanted to be able to answer  
13 the question how much gasoline is sold in Los  
14 Angeles.

15 MR. SCHREMP: No, no, you asked --

16 MR. NYBERG: Well, that's a sample.

17 MS. KATELEY: We get a lot of different  
18 questions.

19 MR. SCHREMP: You asked me why we'd be  
20 collecting this information. One of the first  
21 reasons is to be able to answer how much fuel is  
22 being sold in each region or city, if you will.  
23 And this form allows us to do that for the first  
24 time.

25 Not only that, we'll be able -- not to

1 be for gasoline, for all the fuels. We'll also be  
2 able to understand what portion of the stations  
3 are, for example, have diesel fuel, number 2  
4 diesel fuel available; what portions have  
5 compressed natural gas, M85, alternative fuels.  
6 We do not have that information --

7 MR. SMITH: Very little, we can tell you  
8 very little.

9 MR. SCHREMP: Yes. Very little this  
10 time, and that could change moving forward in the  
11 future here.

12 We also are unable to, you know, look at  
13 how much fuel is going through, you know, service  
14 stations, kind of on average, in these various  
15 different areas. And that's why there's a volume  
16 component with this.

17 And there's also a breakdown of not only  
18 service stations, but we're also interested in how  
19 much fuel may be going through certain marinas,  
20 for example. That is information that is not  
21 collected at this time.

22 MR. SMITH: Marinas?

23 MR. SCHREMP: Yes, that would be, as you  
24 can see there's a box on the right-hand side that  
25 talks about the type of location. So we're also

1 attempting to break down where the fuel is being  
2 dispensed from at that point of retail sale. Is  
3 it a hypermart, is it a marina, you know, is it an  
4 airport, for example, where you're seeing some of  
5 these fuels dispensed.

6 So this will allow us to better track  
7 and respond to those questions as the market is  
8 changing to a greater percentage of say,  
9 hypermarts, and what volumes are we talking about  
10 here. We have no way of answering any of these  
11 questions.

12 MR. NYBERG: Or where are they, or -- I  
13 mean these are basic fundamental questions on the  
14 economics of gasoline that we cannot answer right  
15 now.

16 MR. SMITH: Well, I mean people --

17 MR. NYBERG: For instance, the  
18 underground --

19 MS. KATELEY: But let me --

20 MR. SMITH: Well, let's, let's stop. I  
21 mean just because people ask you questions doesn't  
22 necessarily mean that you have to give them  
23 answers or if they deserve an answer.

24 MS. KATELEY: Let's go a different way.

25 MR. SMITH: I mean, reporters call us

1 all the time and ask us questions. And we say,  
2 sorry, we're not going to answer that. It'll take  
3 us too --

4 MR. McKEEMAN: And we don't have any  
5 information.

6 MR. SMITH: We don't have the  
7 information. It would take too much time and  
8 effort. Why do you want that information? Oh,  
9 just because I want it. I mean just because  
10 people ask you questions doesn't mean you have to  
11 impose this kind of burden on us just so you can  
12 answer some questions.

13 MS. KATELEY: One suggestion that you're  
14 making, or WSPA is making, is that the State Water  
15 Resources Control Board already has this data. I  
16 will investigate that.

17 MR. McKEEMAN: There's another agency  
18 that even has better, at least locational  
19 information, and that's the Division of Weights  
20 and Measures.

21 MS. KATELEY: Okay.

22 MR. McKEEMAN: They have to have each  
23 service station in a database because they go out,  
24 I mean they have authorization over measuring of  
25 volumetric --

1 MS. KATELEY: Okay.

2 MR. McKEEMAN: -- certification for  
3 those stations. In the past that's -- if there's  
4 a number of service stations, that is the place  
5 that you go to for number of service stations.

6 MS. KATELEY: Okay.

7 MR. McKEEMAN: Now they don't have all  
8 of this detail.

9 MS. KATELEY: But we can get that by  
10 survey or another way.

11 MR. McKEEMAN: Well, I think you guys  
12 need to pull this one off the package for right  
13 now. I think -- there's another question here  
14 that's important. How many languages are you  
15 going to have this form in? I think there is  
16 another issue, and that's cost to small businesses  
17 for filling this out. And I think there's a need  
18 for an economic analysis. And we need to get  
19 people engaged in telling us how long it will take  
20 them to aggregate the information.

21 Off the top it doesn't look bad. But  
22 until we ask people, we've got to know. I mean  
23 this -- I recognize the need for a good service  
24 station inventory in the state; that has not been  
25 done before. But I think this is a major step

1       that hasn't been done before. And I think it's  
2       worthy of its own component in this discussion.  
3       It's not just adding another element or tweaking  
4       something that's already been done. This is --  
5       and it's not something that was really disclosed  
6       in the legislation, either.

7               MS. KATELEY: So you're comfortable  
8       basically if we can get this from another state  
9       agency, you're comfortable with that?

10              MR. McKEEMAN: There's a time and effort  
11       involved in filling this out. And if somebody has  
12       a legal obligation to fill this out, I want to  
13       know that they feel comfortable with being able to  
14       do it, one; number two, and how much time and  
15       effort it takes for them to do it.

16              There is a state agency that has the  
17       addresses and owners' names of all the service  
18       stations. But, you don't get much further than,  
19       you don't get into the volumes; you don't get into  
20       the components or the type of service station that  
21       it is.

22              I mean, the dealers association should  
23       be -- California Service Station/Auto Repair  
24       should be involved in this. AutoCal should be  
25       involved in this. Probably groceries association.

1       There are a number of players that really need  
2       to -- and I'm sure they didn't see this form. I  
3       know it because this is, you know, something  
4       that's kind of a, you know, people that have been  
5       used to reporting information to CEC have looked  
6       at these. This is something that's a much  
7       different animal. And I think it, you need to get  
8       a different discussion going on this form.

9               MS. KATELEY: So you know Dennis Dakota  
10       was invited to the meeting, but he had another  
11       commitment, so he couldn't make it. So I do  
12       expect to get comments from him.

13              MR. McKEEMAN: Whether he sees this form  
14       or not is the question.

15              MS. KATELEY: I will be --

16              MR. McKEEMAN: You know, I just found it  
17       this morning, really, so.

18              MS. KATELEY: I will make sure I point  
19       it out to him.

20              MR. SMITH: I mean you're asking  
21       questions about pharmacy, discount stores,  
22       automotive, marina, airport, truck stops.

23              MR. McKEEMAN: Another thing that you  
24       ought to look at is the National Association of  
25       Convenience Stores does an inventory of stations.

1 And they pay for that. And I don't know whether  
2 they make that information available to you or  
3 not, but that is -- I know that they -- and they  
4 look at this, they're kind of the demographics of  
5 the stations.

6 MR. NYBERG: I'm familiar with their  
7 online presence, at any rate.

8 MR. McKEEMAN: There's a much more  
9 robust detail behind it. We're not members of  
10 NACS, so we don't have access to it.

11 MR. NYBERG: Yeah, right.

12 MR. SMITH: You know, I really value the  
13 Energy Commission's role in helping the state deal  
14 with energy issues, especially emergencies. I  
15 think that's great.

16 And it's critical that for you to be  
17 able to play that role you need to have an  
18 understanding of our industry, you need to  
19 understand how it works. But, you know, when you  
20 start getting down to this kind of level of detail  
21 about what stations are company owned, or which  
22 one are this, or which one are that, whether, you  
23 know, it's like where are you guys going with  
24 this. Why do you need this data.

25 I mean what is behind all this. And it



1 really, in my mind, just raises a lot of questions  
2 about the intention of this. And so I support  
3 Jay's comments. He said it much better than I  
4 could ever say it.

5 MS. KATELEY: We'll take that under  
6 advisement.

7 This is the last form mentioned on the  
8 WSPA comments, and if Jay has any additional  
9 comments or --

10 MR. McKEEMAN: I got all my two cents  
11 in. Well, when do you think you'll come out with  
12 a revised package?

13 MS. KATELEY: We would like to continue  
14 to accept comments through the 12th of May. And  
15 all things depending on workload and commitments,  
16 I would say probably by the middle of June we  
17 could come up with another iteration that's much  
18 closer to what you need in terms of clarity and  
19 instruction.

20 MR. SMITH: Can you kind of step through  
21 the rest of the process for timing-wise so we can  
22 tell, you know, you guys are going to have to be  
23 programming new queries, this timeframe, they're  
24 going to have to be ready by this timeframe.  
25 They're going to have to -- that kind of stuff.

1 MS. KATELEY: That's kind of hard to say  
2 at this point. I don't know if Tom wants to take  
3 that one.

4 MR. GLAVIANO: Well, right now what  
5 we're trying to do is to take comments before we  
6 go into the formal rulemaking. The formal  
7 rulemaking will determine what we get from the  
8 June response. We get that one last chance.

9 And I think what the idea there would be  
10 to go out with one more time, and see if that  
11 meets the criteria. Identify the differences at  
12 that time. And then with the Administrative Law  
13 approval, because there is a freeze on all new  
14 regulations, then we would start to submit the  
15 formal rulemaking process with out initial  
16 statement of reasons. And to go forward from  
17 there.

18 But what we wanted to do, I think --

19 MS. KATELEY: And I was just going to  
20 say I think that if things go the way Tom just  
21 described, I think you're talking about very late  
22 in 2004. Just because of the rulemaking  
23 proceeding not starting until --

24 MR. SMITH: Well, the rulemaking  
25 proceeding would start like in --

1 MS. KATELEY: July.

2 MR. SMITH: -- July.

3 MS. KATELEY: Takes about six months.

4 MR. GLAVIANO: And it may be expedited,  
5 because if we have pretty much agreement on the  
6 forms, and then the review period and the  
7 comments. Then there won't be a need to modify  
8 the reports. And --

9 MR. SMITH: Schedule the hearing.

10 MR. GLAVIANO: -- the additional time  
11 scheduling for that would probably be a lot less.  
12 Then --

13 MR. SMITH: Minimum time limits -- yeah,  
14 but minimally time limits, what do you --

15 MS. KATELEY: It still ends up about six  
16 months unless you do an emergency, so --

17 MR. GLAVIANO: Yeah, between three and  
18 six months depending on --

19 MS. AMBROSE: Looking at 2005 basically.

20 MR. GLAVIANO: I would guess, probably  
21 start 2005 --

22 MS. KATELEY: Although all the companies  
23 are invited to go ahead and start voluntarily  
24 using the forms.

25 MR. SMITH: Yeah, we're champing at the

1 bit.

2 (Laughter.)

3 MR. SMITH: But I mean --

4 MS. KATELEY: I knew you'd be the first  
5 to the table.

6 MR. SMITH: If we can just get our  
7 computers to work.

8 MR. McKEEMAN: Does the tape accurately  
9 report sarcasm?

10 (Laughter.)

11 MS. KATELEY: No, it doesn't, darn it.

12 MR. SMITH: We did mention the need to  
13 think about implementing this thing and how we  
14 roll this out.

15 MS. KATELEY: All right. I can tell you  
16 that just from what we've seen with the interim  
17 reports, you've got people who are very quick  
18 studies, figure it out. And they're not shy about  
19 asking questions. And we're working very well  
20 with them.

21 MR. SMITH: Well, we're going from three  
22 or four forms to several more forms.

23 MS. KATELEY: Right, right.

24 MR. GLAVIANO: And if things go well,  
25 and that was sarcasm, --

1 MR. SMITH: Probably will, no --

2 MR. GLAVIANO: -- but if things go well,  
3 then in middle July or so you should know pretty  
4 much what you're going to be expected to put  
5 forward, or where we are on that particular  
6 process.

7 So those things in which there are  
8 agreement, you can start looking at in terms of  
9 implementing by January --

10 MR. SMITH: I wonder, I mean I really  
11 haven't thought about this, I wonder if it would  
12 be easier to start off like asking for the monthly  
13 reports, you know, do the monthly reports for  
14 awhile. And then go to the weekly reports.

15 MS. KATELEY: Or we just start off with  
16 the weeklies and --

17 MR. SMITH: Or start with the weekly,  
18 and then -- I don't know.

19 MS. KATELEY: Well, I want to tell you  
20 we're sincerely open to really --

21 MR. SMITH: I don't know, I can go talk  
22 to our people about -- and then maybe as to which  
23 of these reports are going to -- like some of the  
24 reports are like, oh, this is a no-brainer; we  
25 can, you know, no problem.

1           But like a couple of those reports where  
2       we're going to have to integrate multiple business  
3       units, you know. The commercial business unit is  
4       the guys who are selling product and exporting it  
5       out. Then there's another business unit, or  
6       another unit that works with bringing crude in.  
7       And, you know, all that's going to have to end up  
8       on the import/export form or something. So, --

9           MS. KATELEY: Right.

10          MR. SMITH: -- that may take a little  
11       bit more time.

12          MR. GLAVIANO: Yeah, but if we hammered  
13       it ahead of time, you know, there may be ways.  
14       This is up to the staff, but there may be ways of  
15       taking that, and depending on the form, itself, is  
16       bifurcating it in terms of if there are certain  
17       parts that are imports, certain parts are exports,  
18       you can get them in, say, if there's a lag time of  
19       a week between the two, you get one in and all  
20       you're doing is re-entering the data for the  
21       second part.

22          That may be a consideration that you  
23       guys can look at --

24          MS. KATELEY: We can work on a phase-in;  
25       we can work on a phase-in.

1 MR. SMITH: I hadn't even thought about  
2 that, Tom.

3 MR. GLAVIANO: Those are, you know, --

4 MS. KATELEY: Yeah, well, Tom's just  
5 kind of throwing out some ideas. I mean we've got  
6 a lot of ideas on the table, too, even the idea of  
7 eliminating some of the monthly reports.

8 So, I don't want to get too far out into  
9 saying on a interim basis submit monthly, if we're  
10 just not even going to do monthly, and just do  
11 weekly. Let's kind of leave things open here.

12 And I think that again our experience  
13 was with the interim reports is that, yes, it took  
14 a little bit of time to get people on board. But  
15 once they're on board they are fully helpful and  
16 committed and responsive. And we really like that  
17 a lot. That's more important to us than saying as  
18 of today every form has to be filed on time. We  
19 understand the process of adaptation.

20 MR. McKEEMAN: I guess one thing that  
21 would be very helpful is if you could get those  
22 definitions done as quickly as possible.

23 MS. KATELEY: The definitions, so that  
24 you know, are linked to the rulemaking. And with  
25 a freeze on the rulemaking. Governor's Executive

1 Order.

2 MR. McKEEMAN: But you guys, in your own  
3 minds, know who --

4 MS. KATELEY: He froze the work.

5 MR. SMITH: You can't even work on it?

6 MS. KATELEY: I think we can tinker with  
7 them, but I don't want --

8 MR. McKEEMAN: You can tell us what --

9 MS. KATELEY: I can do some things, but  
10 I don't --

11 MR. McKEEMAN: You can tell us what got  
12 frozen.

13 MS. KATELEY: But, honestly, the  
14 definitions come from the rules, and the rules we  
15 are not allowed to work on right now. So, --

16 MR. McKEEMAN: Understood you can't work  
17 on them, but --

18 MS. KATELEY: Right.

19 MR. McKEEMAN: -- there are things that  
20 we need to know to understand the --

21 MS. KATELEY: We agree.

22 MR. McKEEMAN: -- applicability of  
23 these.

24 MR. NYBERG: Jay, there's two levels of  
25 definitions here, right. One, you're speaking to



1 the Public Resources Code definitions; and others  
2 you're sort of suggesting well, what does --

3 MS. KATELEY: No, the Title 20 code.

4 MR. NYBERG: -- the date mean here.

5 MR. SMITH: I am -- let's see, --

6 MS. KATELEY: You want a definition of a  
7 transporter, of marketer, --

8 MR. SMITH: Exactly.

9 MS. KATELEY: -- a refiner. Yeah, I  
10 understand. Those are in the regulations.

11 MR. NYBERG: Those are the regulations,  
12 right. As opposed to --

13 MR. SMITH: -- current definitions or --

14 MS. KATELEY: Some are new definitions.

15 MR. SMITH: Oh, some are new  
16 definitions, okay.

17 MS. KATELEY: Yeah.

18 MR. McKEEMAN: Yeah, if you could just  
19 tell us what's frozen, with the understanding that  
20 that is --

21 MS. KATELEY: Right.

22 MR. McKEEMAN: -- a work in progress and  
23 that there may be adjustments as we go along. At  
24 least that gets us to the point of understanding  
25 which form needs to be pulled out right now.

1 MS. KATELEY: Okay. We'll do what we  
2 can on that.

3 MR. SMITH: I wonder if there's ever  
4 going to be a point where it will be helpful if,  
5 you know, you set up a meeting where everybody  
6 who's responsible for filling out these forms, you  
7 pull them together in a room or something.

8 MR. NYBERG: Well, Lois mentioned  
9 something. There seemed to be opportunities,  
10 granted, we're all limited by state travel and  
11 budget and all of that, but there are  
12 opportunities for specific groups of terminal  
13 operators, for instance, where --

14 MR. SMITH: Oh, yeah.

15 MS. AMBROSE: Or attending the WSPA  
16 meeting.

17 MR. SMITH: Yeah, WSPA meeting.

18 MR. NYBERG: WSPA, of course. You know,  
19 but sometimes that might be a little too shopped  
20 on broadbrush, but --

21 MR. SMITH: Yeah, but the people who  
22 come to WSPA meetings aren't the people who are  
23 actually filling the reports out.

24 MR. SCHREMP: Right, that's --

25 MS. AMBROSE: That's true.

1 (Parties speaking simultaneously.)

2 MS. KATELEY: I would love to do that.

3 I think that realistically, given the state  
4 budget, I'd have to host it here. So, if you  
5 wouldn't mind shipping your people up here for  
6 that kind of an event, then we'd be happy to host  
7 that.

8 MS. AMBROSE: Sure.

9 MR. SCHREMP: Now, --

10 MR. SMITH: All we'd have to do is  
11 figure out who they are.

12 MS. KATELEY: We are doing that,  
13 actually; we are putting that list together.

14 MR. SMITH: So that would be helpful.

15 MS. KATELEY: Yeah.

16 MR. SMITH: We've, you know, before --

17 MS. KATELEY: You've always wanted to  
18 know.

19 MR. SMITH: I've always wanted to know  
20 who's been reporting, who's responsible for  
21 sending this report in.

22 MS. KATELEY: Yeah, thanks for the  
23 emails and getting the reports by email. We are  
24 actually gathering that up together. So, we've  
25 got a lot of good information on that.

1 MR. NYBERG: You know, if you put the  
2 ownerships of retail stations on your website, no  
3 one would have to go --

4 MR. SMITH: Well, that's the other  
5 question about that last form that we had that  
6 discussion over, is that a lot of our stations are  
7 not owned by our company, so.

8 MR. NYBERG: Right, right.

9 MS. KATELEY: But we would have actually  
10 the station operator filling out the form then.  
11 Not necessarily you.

12 MR. NYBERG: But that aside, Gordon and  
13 I have discussed this aspect where a lot of the  
14 websites , and this is something to bring up with  
15 WSPA, you know, offer, the company's websites  
16 offer a huge online database of their refueling  
17 outlets.

18 Even Costco, for that matter. It's just  
19 married in with all their other operates. Like  
20 Walmart, same thing. They also list, they have a  
21 fueling site or they don't.

22 And they list -- sometimes the companies  
23 are California-specific; some are national.

24 MS. KATELEY: So if we got all the big  
25 refiners to ship us their data, their California

1 dataset of retail stations, --

2 MR. NYBERG: That's always been kind  
3 of --

4 MS. KATELEY: -- that might capture most  
5 all the data we need?

6 MR. NYBERG: -- it's online to a lot of  
7 specificity that, down to, you know, whether you  
8 supplied air or different types of diesel or  
9 racing fuel, you know, high octanes, like --

10 MS. AMBROSE: Well, we do have Sears  
11 Point.

12 MS. KATELEY: Racing fuels --

13 MR. NYBERG: -- you could approach the  
14 company and ask for basically a data transfer of  
15 that.

16 MS. KATELEY: That may be where we could  
17 do that. We could get it, if your members would  
18 be willing to do a little data transfer on just  
19 the California data.

20 MS. AMBROSE: Retailers.

21 MS. KATELEY: That might get us what we  
22 need. Or close enough.

23 MR. NYBERG: And the argument being that  
24 if it's already online it's in the public, anyway;  
25 it would just facilitate California in our quest

1 to answer some of these questions, to just get an  
2 electronic download directly.

3 MR. SMITH: But I think you may have --

4 MS. KATELEY: Oh, so agreed.

5 MR. NYBERG: Oh, of course, -- that was  
6 a different assignment.

7 MS. KATELEY: We'll be revisiting some  
8 of these subjects.

9 MS. AMBROSE: And make it, I mean  
10 because people call me constantly about these  
11 forms and how and why and, you know, what every  
12 little line item means. They're totally confused.

13 MS. KATELEY: Well, we'd be happy to set  
14 up a meeting to talk through the --

15 MS. AMBROSE: Right.

16 MS. KATELEY: -- you know, and --

17 MR. SMITH: Hit a forwarding button to  
18 Mike.

19 MS. KATELEY: Absolutely.

20 Well, I guess this concludes our  
21 workshop. I want to thank you all for coming.

22 We appreciate your participation and  
23 your honesty and directness. It's very helpful  
24 and that will improve the results of this effort.  
25 I really appreciate that.

1                   And on behalf of the Energy Commission,  
2           thank you very much.

3                   (Whereupon, at 12:06 p.m., the workshop  
4           was adjourned.)

5                               --o0o--

## CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,  
do hereby certify that I am a disinterested person  
herein; that I recorded the foregoing California  
Energy Commission Staff Workshop; that it was  
thereafter transcribed into typewriting.

I further certify that I am not of  
counsel or attorney for any of the parties to said  
workshop, nor in any way interested in outcome of  
said workshop.

IN WITNESS WHEREOF, I have hereunto set  
my hand this 30th day of April, 2004.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345